



Commercial Vehicle Solutions

ZF Group - ZF Commercial Vehicle Control Systems India Limited, Chennai 600058

Department Finance
From Muthulakshmi M
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Date July 29, 2025

The Manager
Listing Department
BSE Limited, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

Script code: 533023

Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G
Bandra - Kurla Complex
Bandra (E), Mumbai 400 051

Trading Symbol: ZFCVINDIA

Dear Sirs,

Sub: Integrated Annual Report for the Financial Year 2024-25 and Notice convening the 21st Annual General Meeting

Further to our letter dated May 15, 2025, wherein we had informed that the 21st Annual General Meeting ('AGM') of ZF Commercial Vehicle Control Systems India Limited ('the Company') will be held on Wednesday, August 20, 2025 at 3:00 p.m. (IST) via Video Conference / Other Audio-Visual Means, in accordance with relevant circulars issued by the Ministry of Corporate Affairs ('MCA') and the Securities and Exchange Board of India ('SEBI').

Pursuant to Regulations 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Integrated Annual Report of the Company including the Business Responsibility and Sustainability Report and Notice convening the 21st AGM for the Financial Year ended March 31, 2025, which is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/ Registrar & Share Transfer Agent/Depository Participant(s).

The Integrated Annual Report containing the Notice of AGM is also available on the website of the Company at

https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html

Kindly take the above information on your record and dissemination please.

Thanking you,

Yours sincerely,

ZF Commercial Vehicle Control Systems India Limited

Muthulakshmi M
Company Secretary
Encl : As above

Registered Office: Plot No.3 (SP), Third Main Road,
Ambattur Industrial Estate, Chennai - 600058, India
CIN: L34103TN2004PLC054667

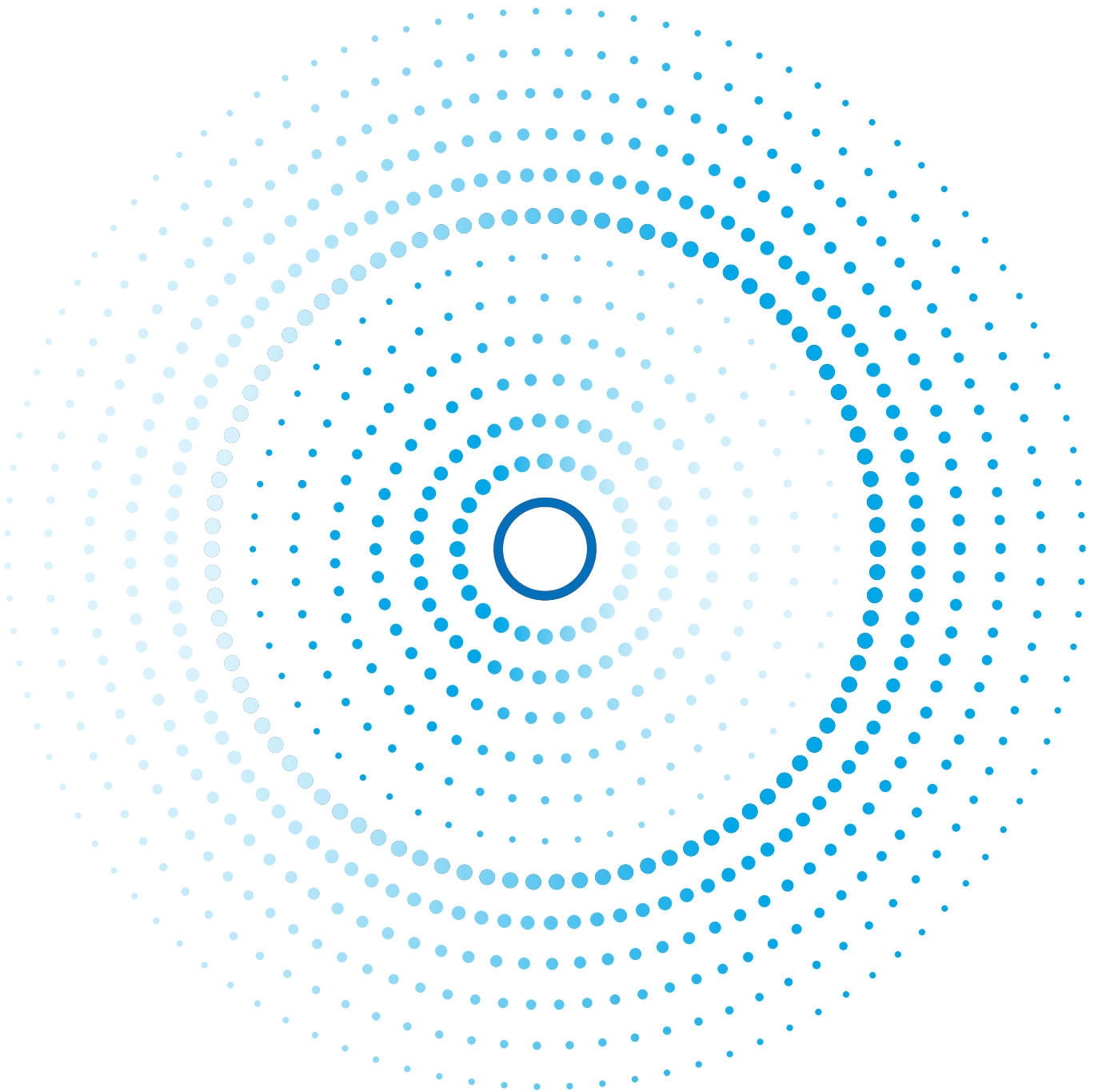
Phone: +91 44 42242000. Fax: +91 44 42242009
www.zf.com

ZF Group

ZF Commercial Vehicle Control Systems India Limited
(Formerly known as WABCO INDIA Limited)
Plot No.3 (SP), Third Main Road,
Ambattur Industrial Estate,
Chennai - 600058, India
Phone: +91 44 4224 2000

Fax: +91 44 4224 2009
www.zf.com

REDEFINING INDIA'S MOBILITY



ZF Commercial Vehicle Control Systems India Limited
INTEGRATED ANNUAL REPORT 2024-25

REDEFINING INDIA'S MOBILITY

We are redefining India's mobility through technology-driven solutions that enhance the safety, efficiency, and sustainability of commercial vehicles. Our aspiration towards further growth and transformation is anchored in our commitment to innovation and reliability, enabling us to anticipate and respond to the evolving needs of the commercial vehicle ecosystem.

ZF Commercial Vehicle Control Systems India Limited focuses on developing engineering solutions that integrate safety, performance, and connectivity at every stage of the commercial vehicle journey. We have expanded our portfolio to include advanced braking systems, digital fleet services, automated driving technologies, and electric mobility solutions, to enable Original Equipment Manufacturers (OEM) and fleet operators to meet the dynamic needs of modern transportation.

Our investments underscore our ambition to drive the next wave of industry modernisation which is underway through Automated Connected and Electric (ACE) technologies in Commercial Vehicles.

We continuously strive to build a high-performing, customer-focused and sustainable organisation, to offer comprehensive, future-ready solutions that support our customers' ambitions setting new standards for commercial mobility across India.

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About this Report

ZF Commercial Vehicle Control Systems India Limited (also referred to as 'ZF CVCS,' 'The Company,' 'We' or 'Our'), is proud to present its Integrated Annual Report for FY 2024-25, covering the period from April 01, 2024, to March 31, 2025. This report offers a holistic view of the Company's financial and non-financial performance and reflects our commitment to transparency, ethical practices, and sustainable growth within the automotive component industry. Through this report, we outline our strategic direction, the progress we have made towards long-term value creation, and the resilience demonstrated in the face of evolving global challenges.

Reporting Scope and Boundary

This report covers financial and non-financial information of our operations for the period from April 01, 2024 to March 31, 2025. It includes our facilities at Chennai (Ambattur, Mahindra World City, Oragadam, Porur and Ramapuram), Jamshedpur, Pantnagar and Lucknow.

Framework and Standards

This Integrated Annual Report captures the Company's journey over the past year, presenting both qualitative insights and quantitative disclosures of our financial performance. It highlights our strong commitment to environmental, social, and governance (ESG) responsibilities, articulated through six capitals – Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural – in alignment with the Integrated Reporting Framework developed by the International Financial Reporting Standards (IFRS) Foundation. This report reaffirms our dedication to transparency and accountability, providing stakeholders with a clear view of our achievements, challenges, and strategic direction. Moreover, it details our approach to resource allocation, highlighting how we prioritise investments to drive sustainable growth and deliver long-term value to all stakeholders.

Additionally, this report adheres to the Global Reporting Initiative (GRI) Standards 2021, ensuring alignment to internationally recognised guidelines for corporate sustainability reporting. The report is also in line with the nine principles of the Ministry of Corporate Affairs' National Guidelines on Responsible Business Conduct (NGRBC) and United Nations Sustainable Development Goals (UN SDGs).

Responsibility Statement

Our Management has reviewed and approved the contents of this report, drawing on robust data management systems and close engagement with key internal business functions. Based on this thorough review process, the Management believes that the Report provides a fair and reasonable representation of the Company's ESG performance for the reporting period.

Assurance

The Report includes both financial and non-financial information, encompassing the activities of the Group. The financial information, comprising the consolidated and standalone financial statements, has been audited by B S R & Co. LLP.

Forward-looking Statements

Certain sections in this report may contain forward-looking statements. These forward-looking statements might use terminologies like 'may,' 'aim,' 'expects,' 'could,' 'intends,' 'objective,' or similar expressions. These forward-looking statements depend on certain assumptions, methodologies or inputs used that involve a judgement that may not be precise to guarantee future results. Actual results could vary depending upon the risks and uncertainties which are beyond its control to which the Company does not provide any assurance.

Our Board

Board of Directors

We are led by a distinguished Board of Directors comprising accomplished professionals who bring deep expertise, industry insight, and diverse perspectives. Each member contributes distinct strengths that collectively foster a well-rounded, forward-looking leadership team. Their combined experience supports sound decision-making, strategic oversight, and responsible governance.

Board of Directors



Mr. Akash Passey
Chairman, Non-Executive
Non-Independent Director
(Appointed w.e.f. May 22, 2024)



Mr. P. Kaniappan
Managing Director
(retired on June 30, 2025)



Mr. Paramjit Singh Chadha
Managing Director
(Appointed w.e.f. July 1, 2025)



Mr. Mahesh Chhabria
Non-Executive
Independent Director



Ms. Amrita Verma Chowdhury
Non-Executive Independent Director



Ms. Rashmi Urdhwaresh
Non-Executive Independent Director



Dr. Christian Brenneke
Non-Executive
Non-Independent Director



Mr. Philippe Colpron
Non-Executive
Non-Independent Director



Mr. Neeraj Sagar
Non-Executive Independent Director
(Appointed w.e.f. May 22, 2024)

Corporate Information

ZF Commercial Vehicle Control Systems India Limited believes to maximise stakeholder engagement and improve it for future communications.

Shareholders / Investors may send their correspondence to the Company Secretary either to:

Registered & Corporate Office

Plot No.3, (SP) III Main Road, Ambattur Industrial Estate, Chennai - 600 058.

Website: https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html

Email: cvcs.info.india@zf.com

CIN: L34103TN2004PLC054667

Shareholders may also send their communication electronically to cvcs.info.india@zf.com.

Investors may also communicate to Integrated Registry Management Services Private Limited, the Registrar & Share Transfer Agent for redressal of their grievance, if any.

Registrar & Share Transfer Agent (RTA)

Integrated Registry Management Services Private Limited
2nd Floor, Kences Towers,
No. 1 Ramakrishna Street,
North Usman Road, T Nagar,
Chennai – 600017

Tel. : 044 - 28140801, 28140475, 28140476

Fax : 044 - 28142479

E-mail : srirams@integratedindia.in

Statutory Auditors

B S R & Co. LLP
Chartered Accountants
KRM Tower 1st & 2nd Floors,
No. 1, Harrington Road,
Chetpet
Chennai – 600 031

Secretarial Auditor

Sriram Krishnamurthy & Co.,
(formerly known as S. Krishnamurthy & Co.)

Company Secretaries

T-1, "Shobana", 3rd Floor,
17, Nandanam Main Road,
Nandanam Extension,
Chennai – 600 035

Cost Auditor

A N RAMAN & Associates
Cost Accountant,
No.10, PN Muthukumaraswamy Salai,
Baby Nagar 1st Main Road,
Velachery, Chennai – 600042

Bankers

Citibank N.A.

3rd Floor, 2 Club House Road,
Chennai – 600 002

BNP Paribas

Prince Towers,
3rd Floor, 25/26 College Road,
Chennai – 600 006

State Bank of India

Corporate Accounts Group Branch
3rd Floor, Sigappi Achi Building
18/3, Rukmani lakshmipathy Road
Egmore, Chennai – 600 008

ICICI Bank Limited

Prakash Presidium
110, Nungambakkam High Road,
Chennai – 600 034

Stock Exchanges

NSE/BSE

Subsidiary Company

M/s. ZF CV Control Systems Manufacturing
India Private Limited

Message from the Managing Director

Fuelling Innovation, Transforming Mobility Solutions



As we look ahead, we remain committed to operational excellence, continuous innovation, and building enduring partnerships with our customers and stakeholders. I firmly believe that our market buoyancy, backed by our manufacturing expertise and engineering competence, will enable us to continue this path of sustained and profitable growth.

Dear Stakeholders,

As I step into my new role as the Managing Director of ZF Commercial Vehicle Control Systems India Limited from July 01, 2025, I am filled with enthusiasm and a deep sense of responsibility towards the various stakeholders that are connected to this Company, with its legacy and its future possibilities.

Over the past month, I had the opportunity to visit our six manufacturing plants, key customers, our engineering hub, and our world-class test facility. These visits provided valuable first-hand insights into our strong customer relationships, exceptional capabilities, and unwavering commitment to excellence. While I did have a fair understanding of what ZF Group was capable of in my previous role, I am particularly impressed by the dedication to German-engineered processes and the depth of technologies that are capable of addressing present and future requirements of our OEMs. It is heartening to see the trust and responsibility that we are entrusted with by our valued customers, business partners and shareholders and the passion that drives our teams every day.

I firmly believe that the technological competence, localisation, customer connection, fit-to-market solutions and passionate team make ZF Commercial

Vehicle Control Systems India Limited a key enabler in redefining the future of mobility. With our focus on innovation, sustainability and safety, we are in a good position to shape the industry through cutting-edge technologies and an unyielding focus on customer success.

The commercial vehicle industry in India is at an inflection point. With the economy on a firm growth trajectory, focussed infrastructure and construction development, and a tactile shift towards technologies, with an increasing emphasis on sustainability and digitalisation, the sector is set to benefit from the economic tailwinds. I am certain that we are uniquely positioned to capture these opportunities through our extensive portfolio and solutions, including advanced safety, connected mobility, digital telematics, and electric mobility solutions to address the evolving needs of the commercial vehicle industry. Our focus remains on delivering technologies that not

only meet regulatory requirements but also shape the future of intelligent transportation.

As we look ahead, we remain committed to operational excellence, continuous innovation, and building enduring partnerships with our customers and stakeholders. I firmly believe that our market buoyancy, backed by our manufacturing expertise and engineering competence, will enable us to continue this path of sustained and profitable growth.

To our shareholders, I extend my gratitude for your continued trust in ZF Commercial Vehicle Control System India Limited's vision, strategy, and management. Your confidence empowers our team to push the boundaries and deliver added value. As we chart the path forward, I invite you to accompany us on this journey to shape the future of commercial vehicle mobility with purpose and ambition.

Together, we will continue to build on our strong legacy, while embracing new opportunities, staying customer-centric, with the agility and determination that have defined us to date.

Warm Regards,

Paramjit Singh Chadha
Managing Director



I firmly believe that the technological competence, localisation, customer connection, fit-to-market solutions and passionate team make ZF Commercial Vehicle Control Systems India Limited a key enabler in redefining the future of mobility.



Message from the Former Managing Director

Redefining the Future of Mobility

Dear Stakeholders,

We are pleased to present our Integrated Annual Report for FY 2024-25, showcasing our journey to redefine mobility and drive new opportunities forward. Guided by our commitment to innovation, sustainability, and operational excellence, we navigated a dynamic year with agility and focus. As we reflect on our achievements, we remain dedicated to advancing safer, smarter, and more sustainable mobility solutions, confident in our ability to capture new opportunities and deliver lasting value to all stakeholders.

The global economic environment remains volatile, shaped by ongoing trade tensions and shifting policy dynamics that continue to ripple across markets. Emerging economies, in particular, are grappling with the effects of slower global growth, financial market fluctuations, and cautious sentiment among consumers and investors. While India's strong domestic demand provides a degree of insulation, it is not entirely immune to external shocks. However, softer crude oil and commodity prices, coupled with relative tariff advantages, have helped cushion some of these impacts.

Despite this challenging backdrop, India's economic trajectory remains robust. The National Statistics Office (NSO) projects real Gross Domestic Product (GDP) growth at 6.5% for FY 2024-25, underpinned by resilient rural demand, a likely resurgence in urban consumption, recovery in capital formation through higher government spending, and healthier corporate and banking balance sheets. Although merchandise exports may come under pressure, steady services exports, favourable agricultural conditions, recovering industrial activity, and a vibrant services sector continue to drive momentum.

Within this context, India's automotive sector reflected the broader economic trend, growing at 6.5% during the year. However, the Commercial Vehicle (CV) segment saw a marginal 0.2% decline in retail sales (Source: FADA), and a 5.4% drop

in production for vehicles above 6 tonnes, largely due to temporary disruptions from elections, weather, and deferred investments. A rebound is anticipated, supported by increased infrastructure spending, the need for fleet renewal, and initiatives such as the PM e-Bus Sewa programme.

The Medium and Heavy Commercial Vehicle (M&HCV) segment is particularly well-placed to benefit from sustained investment in road construction, metro development, and urban mobility. Industry fundamentals are also being reshaped by broader trends—rising e-commerce, digitalisation of fleets, evolving logistics models, and the formalisation of the trailer market. The growing adoption of Public-Private Partnership models by State Transport Undertakings (STUs), alongside policy measures for sustainability and vehicle scrappage, are further accelerating the transition to cleaner and more efficient technologies. As a result, India's commercial vehicle industry is poised for a strong recovery, supported by sound macroeconomic conditions, supportive policy, and rapid digital transformation.

We remain focussed on harnessing these macroeconomic and industry tailwinds by deepening our domestic focus, strengthening resilience, and driving innovation across the organisation. As we move forward, our commitment to these principles will reinforce our market leadership and enable us to deliver enduring value to all our stakeholders.

Key Developments during the Year

We closed the year on a strong note and entered FY 2025-26 with renewed momentum and a clear, forward-looking strategy. Building on this foundation, we advanced the penetration of critical technologies such as Trailer Anti-lock Braking System (ABS), Electronic Braking System (EBS) and SCALAR Evo Pulse, in alignment with the AIS 113 trailer safety regulations. Our product portfolio continues to grow with the introduction of solutions like Exhaust Brake Valves, Automatic Traction Control, and increasing adoption of OptiDrive Modular AMT and OptiRide Electronically Controlled Air Suspension (ECAS). The Electronic Stability Control (ESC) mandate for buses enforced in April 2023 has unlocked new opportunities, and we are scaling our capabilities to meet this demand.

In electric mobility, our e-compressors and EBS systems are seeing growing traction among independent bus manufacturers, further reinforcing our leadership in this evolving space. At the policy level, the proposed mandate for Advanced Driver Assistance Systems (ADAS) signals the sector's rapid shift towards intelligent safety. We are actively collaborating with Original Equipment Manufacturers (OEMs) to ensure readiness for next-generation safety features, including Advanced Emergency Braking (AEB), Lane Departure Warning Systems (LDWS), Moving Off Information Systems (MOIS), Blind Spot Information Systems (BSIS), and Driver Drowsiness and Warning (DDAW).



Despite this challenging backdrop, India's economic trajectory remains robust. The National Statistics Office (NSO) projects real Gross Domestic Product (GDP) growth at 6.5% for FY 2024-25, underpinned by resilient rural demand, a likely resurgence in urban consumption, recovery in capital formation through higher government spending, and healthier corporate and banking balance sheets.



Our Aftermarket business remained resilient, delivering 5.5% year-on-year growth. We launched 11 new Door Control System variants, expanded support for electric vehicle fleets, and began supplying diagnostic tools for EBS and ECAS. Additionally, regulatory changes in Liquefied Petroleum Gas (LPG) transport have created new retrofitting opportunities for Trailer ABS and EBS, which we are well positioned to address.

The digitalisation of fleets continues to accelerate. During the year, we secured a landmark order for 800 SCALAR Evo Pulse units from a leading trailer manufacturer, marking India's first deployment of advanced trailer telematics. The repeat order for our AI-powered Video Management System from a major OEM further demonstrates growing confidence in our intelligent safety offerings.

On the global front, our exports business achieved robust growth, with goods exports up 6.8% and services exports rising 16.1%. Even as tariff environments evolve in select international markets, we have realigned priorities, commenced production of Actuator 4.0 and Air Compressors for global OEMs, and continue to deliver advanced engineering solutions to our international customers from India.

Redefining the Future of Mobility

Our newly commissioned, state-of-the-art plant in Oragadam has quickly emerged as a strategic hub for advanced manufacturing, supporting the production of e-mobility products, next-generation braking systems, and a wide range of future-ready components for both



Our newly commissioned, state-of-the-art plant in Oragadam has quickly emerged as a strategic hub for advanced manufacturing, supporting the production of e-mobility products, next-generation braking systems, and a wide range of future-ready components for both Indian and global customers.

Indian and global customers. This facility has introduced key product lines, including e-compressors, Air Suspension Processing (ASP) cartridges, hydraulic Electronic Stability Control (ESC) units, and wheel-end components such as actuators, brake chambers, and automatic slack adjusters. Alongside this, we have expanded our portfolio with new offerings - from twin-cylinder compressors and actuators for Europe to Automated Manual Transmissions (AMTs), Auxiliary Power Units (APUs), Electronic Control Units (ECUs), and charging valves for Indian OEMs - further strengthening our market presence.

Across our network, capacity expansion and the addition of new assembly lines in Jamshedpur and Lucknow have enhanced delivery speed and responsiveness. Localisation of over 25 parts has brought production closer to customers and significantly reduced our carbon footprint. Our approach to manufacturing is anchored in intelligent automation and digital integration, with smart robotics, automated testing, and digitally controlled machining cells now standard across our facilities.

At the plant at Mahindra World City and other locations, advanced upgrades and real-time condition monitoring on more than 60 critical CNC machines are already delivering

measurable gains. These include improved machine health, lower downtime, and reduced energy usage. Additionally, our adoption of low-code platforms and Robotic Process Automation is streamlining workflows and automating routine tasks in planning, inventory, and customer service. This enables faster decision-making and allows teams to focus on value-added activities.

Together, these developments reflect our readiness for the future of mobility and our commitment to building smarter, cleaner, and more agile operations through innovation, digitalisation, and a deep understanding of evolving customer needs.

Delivering Results

We have demonstrated exceptional financial resilience and growth in the past fiscal year, reaffirming our strong dedication to creating enduring value for our shareholders. Our top-line expanded from INR 3,783.71 crores in FY 2023-24, to INR 3,804.09 crores in FY 2024-25, reflecting a year-on-year growth of 0.54%. Our EBITDA margin strengthened, rising from 17.4% to 19.3%, highlighting enhanced operational excellence.

Profit After Tax surged significantly by 13.31%, reaching INR 458.66 crores, evidence of our strategic agility and disciplined execution. Capital expenditure reached INR 161

crores in FY 2024-25 - highlighting our proactive investment in capacity building and future innovation.

These outcomes reinforce our commitment to sustainable progress and financial robustness.

Driving Sustainable Impact

As part of our strong commitment to Environmental, Social, and Governance (ESG) priorities, we advanced several impactful initiatives in FY 2024-25, reinforcing our focus on sustainable and inclusive growth.

On the environmental front, we implemented an energy efficiency programme across operations, maintenance, and R&D at multiple sites, completing 103 projects and achieving a 12% reduction in overall energy consumption. We expanded our renewable energy footprint by installing rooftop solar panels with a capacity of 500 kWp in Jamshedpur and 60 kWp in Pantnagar, meeting 25% and 40% of each plant's energy requirements. At Ambattur, the electrification of the canteen eliminated approximately 66,000 litres of diesel use annually and avoided 151 tonnes of carbon dioxide equivalent emissions. In our effort to eliminate landfill, hazardous waste from the Mahindra World City plant is now sent for co-processing in the cement industry.

For our employees, we invested in capability development, technical training, and leadership programmes to foster a culture of learning and continuous improvement. Enhanced workplace safety measures and employee engagement initiatives ensured a supportive and inclusive environment where every team member could thrive. By nurturing talent and empowering our workforce, we continue to strengthen the foundations for long-term success.

Our social impact efforts focussed on education, health, and road safety. We renovated and equipped science and computer labs at Government Polytechnic Harakh Deeh near Lucknow and developed a library and computer lab at a girls' residential school in Barabanki. In public health, we contributed an X-ray machine to the Perumbakkam Primary Health Center in Chennai. Road safety remained a core priority, with the installation of 12 solar-powered traffic signals and high-mast lights, road improvements in Thiruvallur district, Tamil Nadu, and safety awareness programmes conducted for technicians and drivers at 37 locations across India. To support youth employability, we trained 1,000 individuals in basic manufacturing skills under the National Apprenticeship Promotion Scheme. These initiatives reflect our belief in responsible growth and our commitment to creating lasting value for the communities we serve.

Our governance framework is anchored in transparency,



We are energised by a bold ambition to build a dynamic, sustainable organisation that redefines commercial mobility in India. We are streamlining our structure, cultivating a vibrant culture, and aligning every part of our business to drive profitable, long-term growth.

accountability, and ethical conduct. With robust oversight and a culture of compliance, we ensure responsible decision-making, safeguard stakeholder interests, and drive sustainable value creation across all levels of the organisation.

Charting the Path Ahead

We are energised by a bold ambition to build a dynamic, sustainable organisation that redefines commercial mobility in India. We are cultivating a vibrant culture, and aligning every part of our business to drive profitable, long-term growth. This strong foundation allows us to deliver innovative, forward-thinking solutions that fuel our partners' goals and set new benchmarks across the mobility landscape.

We are not just following trends but creating them. By championing cutting-edge technology, sustainability, and collaboration, we unlock fresh opportunities and shape the future of transportation. Together with our partners and communities, we power India's shift towards smarter, safer, and greener mobility. We are building a movement that will transform how the country moves for generations to come.

Thank you for being a part of this exciting journey. Your trust and support inspire us to keep pushing boundaries and driving meaningful change.

Warm Regards,

P Kaniappan

Managing Director
(Retired on June 30, 2025)

FY 2024-25 at a Glance

Driving Consistent Growth, Delivering Impact with Purpose

Financial Impact



INR 3,804.09 crores
Revenue

INR 735.20 crores
EBITDA

19.33%
EBITDA Margin

INR 458.66 crores
PAT

12.06%
PAT Margin

INR 241.81
EPS

Driving Climate Action



1,29,235 TJ
of Energy Utilised

11.6%
of Energy Conserved from
Previous Financial Year

57%
Reduction in Scope 1 and
Scope 2 emissions from the
baseline year FY 2019-20

28,596 KL
of Water Withdrawn

64%
Energy Derived from Renewable
Sources

2%
Reduction of Scope 3
emissions from the baseline
year of FY 2022-23

**All Sites Certified to
ISO 14001: 2015**

Social Commitment



16%
Women Workforce

79%
Employee Engagement Index

5%
Current Attrition Rate

41%
Directly Sourced from MSMEs/
Small Producers

80
Training and Awareness Programmes
Conducted for Employees and Workers

0
Lost Time Injury Frequency Rate of
Employees

0.64
Lost Time Injury Frequency Rate
of Workers

Responsible Conduct



100%
Signed Declarations and
Commitment Received from Board
of Directors and Senior
Management for Not Engaging in
Any Activities or Interests That
May Create Conflict with the
Company's Interest and Code of
Conduct on an Annual Basis

0
Cases Filed Regarding Unfair Trade
Practices and Anti-competitive
Behaviour

0
Monetary/Non-Monetary Fines,
Penalties, and Charges on Ethical
Issues

0
Child Labour, Forced/Involuntary
Labour, Discrimination at
Workplace, and Wage-related
Issues

About the Company

Engineering Safety, Powering Intelligent Mobility

We lead the commercial vehicle market as a trusted partner in safety and connected mobility solutions, conventional braking products, and related air-assisted technologies for commercial vehicles. Driven by our commitment to safe and sustainable mobility, we are shaping the future of transportation through innovation, reliability, and sustainability. Our solutions are engineered to augment vehicle safety, increase efficiencies, and support the dynamic demands of original equipment manufacturers (OEMs) and fleet operators. With a robust focus on providing the right solutions, we continue to deliver products and solutions that accelerate the drive towards a cleaner and safer tomorrow.



Headquartered in Chennai, Tamil Nadu, we command a robust local presence with six top-tier manufacturing facilities, a technology development support centre, a world class dedicated vehicle testing and a nationwide aftermarket distribution and service network. Complementing this, our Global Engineering Centres drive innovation in advanced mobility technologies and digitalisation.

Our technologies and solutions are designed to make commercial vehicles and fleets more efficient, safe, connected, intelligent, and automated. Our close partnerships with our customers enable us to understand their requirements and deliver integrated, innovative solutions that positively impact the entire lifecycle of commercial vehicles – from cradle to grave.

We offer the most comprehensive range of commercial vehicle solutions across key domains such as automated driving, electric mobility, and the digitalisation of fleet operations, paving the way for next generation mobility. Our global network of local teams and partners maintains close proximity to customers, providing responsive and reliable support wherever they are.

Our technologies empower commercial vehicles to see, think, and act, fostering intelligent interactions. We enable real-time communication between trucks and trailers, supporting smarter and safer logistics. As the number one supplier of driveline and transmission systems, we are uniquely positioned to meet the evolving requirements of commercial vehicles. The data generated from our onboard systems provides real-time insights that help optimise fleet performance and operational efficiency.

Six decades of market leadership
with multiple growth levers

Well-positioned to serve marquee
clients with a broad market focus

Customer-centric, Total
Quality Management (TQM)-
driven, lean organisation

Sound cost-
competitiveness across
the value chain

Uniquely positioned to offer
leading-edge technology
through innovation

Well-established
aftermarket network

Strong, stable, and industry-
acclaimed leadership

A benchmark in an ESG-focussed
business model

**A Leading
Supplier of
Technologies
and Services
to the Indian
CV Industry**

An Overview of CVCS

6

Dedicated Manufacturing Plants

1

State-of-the-art Global Engineering Centre

266

Authorised Service Partners

1

World Class Test Track

651

Aftermarket Wholesale Distributors

1

Superior Global Centre for Digitalisation and Software Development

Solving the Industry's Key Challenges

Focus on efficiency

Product and system solutions for the reduction of total operational costs (TCO) and minimising CO₂ emissions



- Automated Manual Transmission (AMT)
- Electronic Braking System (EBS)
- Oil Pressure Regulator (OPR) Compressor
- Electronically Controlled Air Processing (ECAPU)

Focus on safety

Advanced Driver Assistance Systems (ADAS) for the protection of road users, driver comfort, and cargo integrity



- Electronic Stability Control (ESC)
- Collision Mitigation System (CMS)
- Advanced Emergency Braking System (AEBS)
- Lane Departure Warning System (LDWS)
- BSIS/MOIS

Focus on digitalisation

Connectivity and software solutions for efficient processes (fleet management, predictive maintenance, and digital applications)



- SCALAR - Hardware & Software
- SCALAR Evo-Pulse

BSIS: Blind Spot Information System
MOIS: Moving off Information System

Awards and Recognitions

Excellence in Progress

We are honoured to be recognised for our focus on excellence, innovation, and integrity. These awards and accolades reflect the impact of our collective efforts and inspire us to continue setting benchmarks across every aspect of our business. Each recognition reaffirms our dedication to creating enduring value for all stakeholders and fortifies our commitment to lead with purpose and consistently raise the bar through every endeavour.



Gold Award for Ambattur facility in NIQR Six Sigma Competition



Platinum Award in CII National Low-Cost Automation Competition, with the Ambattur ME team achieving the feat



Gold Award in QCFI National Level Quality Control Competition, with the MWC Freedom Bird team clinching the honour

61

Awards Received in FY 2024-25

16

National Awards

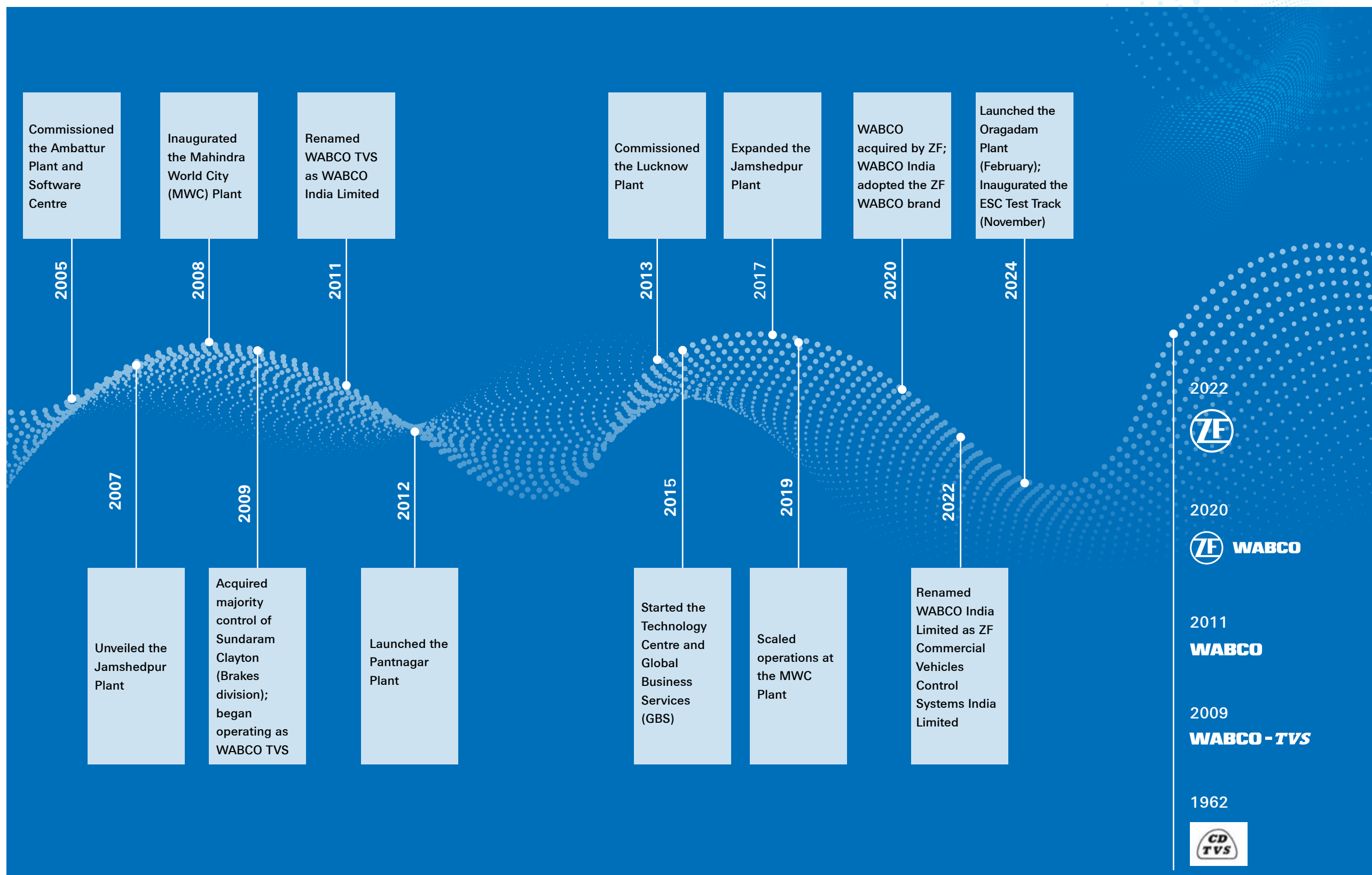
19

Regional Awards

Our Journey

Driving Change, Enabling Innovation

We have redefined our identity to a technology-driven pioneer in cutting-edge vehicle control systems. Our integration with the ZF Group unlocked new synergies in innovation, scale, and market access, empowering us to address the complex demands of modern mobility. As we continue to fortify our international presence and scale our capabilities, our efforts are directed towards shaping intelligent, safe, and sustainable transportation ecosystems. With a sound legacy and a forward-leaning perspective, we are helping reimagine the future of commercial mobility in India and beyond.



Our Offerings

Engineering Change, Enabling Tomorrow

We are driving change in the commercial mobility landscape by delivering intelligent technologies that integrate safety, connectivity, and performance into every aspect of the vehicle journey. As a lifecycle collaborator to OEMs, fleets, and the aftermarket stakeholders, we provide seamless, end-to-end support that transforms vehicles from engineering vision to operational excellence and responsible retirement. With over 60 years of domain expertise, a strong global network, and a vast innovation portfolio, we act as a single-source mobility enabler. Our solutions simplify operations, accelerate uptime, and optimise value – empowering our partners to thrive in an increasingly dynamic and demand-driven landscape.

Our core offerings – Truck & Bus Solutions, Digital Services, and Trailer Technologies – are designed to cater to the dynamic preferences of a connected, data-driven world. By synergising our core capabilities, we are aligning with sectoral shifts and shaping the future of mobility through Transportation as a Solution (TaaS).

Redefining Mobility with Intelligent, Integrated Solutions

Transport as a Service

System Solutions

Bus Solutions

- Integrated Systems

Vehicle Intelligence (OE Digital) & Digital Incubation (SCALAR)

- Bus Solutions
- Integrated Systems

Trailer Solutions

- Trailer Braking System
- ACE Trailer

Product & Sub-System Solutions

Driveline Technology

- Transmissions & Hybrids
- Electric Driveline Solutions
- Driveline Components



Chassis Control

- Brake Controls
- ADAS
- Advanced Steering Control
- Wheel End Solutions



Chassis Structure

- Air Supply
- Suspension Control Solutions
- Fuel Cell
- Compressor



Bus & Trailer Solutions

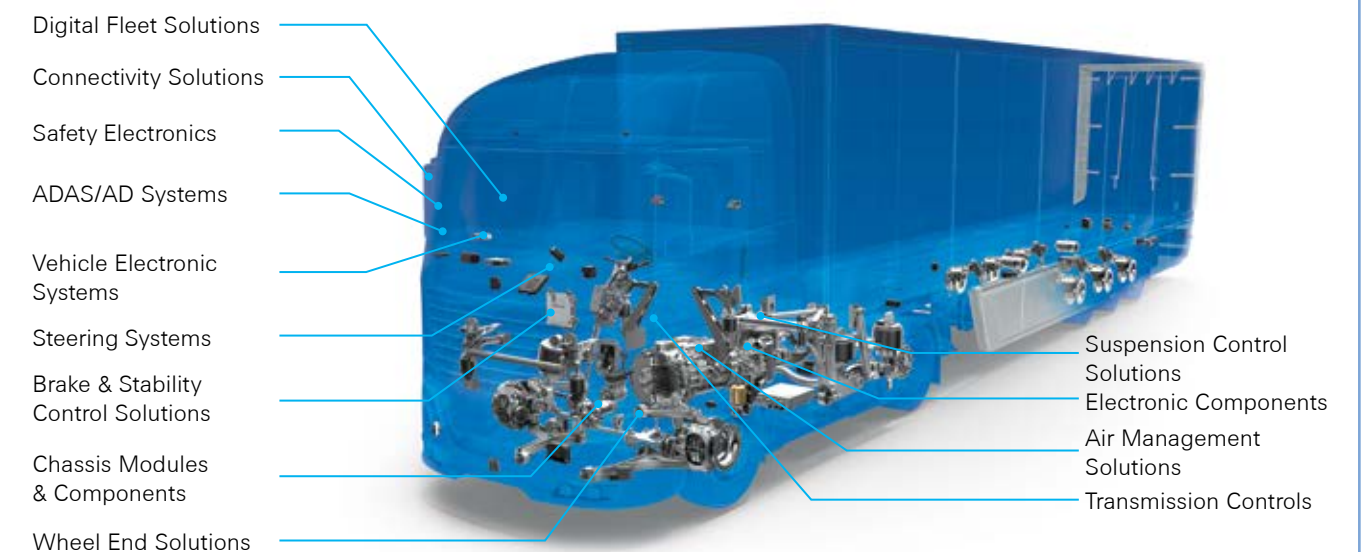
- Bus Solutions
- Trailer Solutions
- Off-Highway



Innovation & Services Across the Vehicle Life Cycle



Delivering Scalable Solutions for the CV Ecosystem



Value-Creation Model

Sustainable Technology in Motion

Inputs » Business Activities » Output » Outcomes » Linkage to SDGs

Financial Capital

- Total Equity: INR 3,210.80 crores
- Debt: NIL
- CAPEX: INR 161.01 crores

Manufactured Capital

- Manufacturing Facilities: 6
- Technology Centres: 2
- Offices: 2

Intellectual Capital

- R&D Spend: INR 136.22 crores
- R&D Head Count: 1112 [HDC 303; GEC 809]
- Digitalisation and Quality-based Management System

Human Capital

- Diversity Week
- Health and Safety Trainings: 1,138 Person-Days

Natural Capital

- Renewable Energy Consumption (Non-Fossil Energy): 64%
- All ZF CVCS India Limited Plants are Zero Liquid Discharge Facilities

Social & Relationship Capital

- Community Initiatives
- CSR Spend: INR 7.95 crores
- Customer-Centricity

Suppliers Initiatives

- Business Partner Principle
- Sustainability Knockout Criteria
- Decarbonisation
- Sustainability Training and Awareness
- Reuse of Packaging

ZF CVCS India Limited



Supply Chain

- Transporters
- Couriers
- Distribution Channels

Consumer Initiatives

- Customer Connect
- Sustainability Programmes
- Dealer Portal

Value Chain

Climate Neutrality 2040

- Reduce CO₂ Emissions by 80% (Compared to 2019) by Using Green Energy until 2030 (Scope 1 and 2)
- Reduce CO₂ Emissions of Upstream Value Chain and Product Use until 2040 (Scope 3)

ESG Vision

Materiality Assessment

Sustainability Targets

Stakeholders Management

Sustainability Performance

Critical Stakeholders

- Employees
- Suppliers
- Investors
- Industry Regulators
- Customers
- Communities

Driving Commercial Vehicle Innovation

Commercial Vehicles/Public Transportation

Automated Driving

Vehicle Motion Control

Integrated Safety

Electric Mobility

USP SYSTEM INTEGRATION

Export Markets

Domestic Markets

Innovation and Cost Leadership

Globally Attractive Employer

Balanced Market Penetration

Diversified Portfolio



Climate Neutral by 2040



53,119 Tonnes

Products Produced



Financial Capital

- Revenue: INR 3,804 crores
- PAT: INR 459 crores

Manufactured Capital

- Wide Product Range
- Product Groups: 20

Intellectual Capital

- New Product Variants Released: 117
- Revenue Generated from R&D: INR 48.16 crores

Human Capital

- Women in Workforce: 16%
- Employee Well-being and Safe Workplaces

Natural Capital

- Reduction in Scope 1 + Scope 2 GHG Emissions due to Increased Use of Renewable Energy: 57%

Social & Relationship Capital

- Lives Impacted: Over 3.1 lakhs



Capital-wise Progress

Financial Capital

Financial capital is a strategic enabler that propels our ambition to lead, adapt, and innovate within the commercial mobility space. It empowers us to invest in next-generation technologies, pursue scalable growth, and chart a complex global environment with resilience and agility. Every capital allocation that we pursue is characterised by its purpose and rooted in the goal of generating enduring value for our customers, partners, and communities. Through disciplined financial stewardship and a forward-leaning investment approach, we transform capital into real-world impact - fast-tracking development of cutting-edge, sustainable solutions that are aligned with long-term transition and stakeholder expectations.



Material Issues Addressed

- Risk Management
- Opportunities in Clean Technologies
- Climate Change Vulnerabilities

Linkage with Other Capitals



Manufactured



Intellectual



Human



Natural



Social & Relationship

Stakeholders Impacted

- Investors and Shareholders
- Customers
- Employees

SDGs Impacted



Highlights of FY 2024-25

- Reported highest-ever profit before tax at INR 606.80 crores for the full year, reflecting strong business fundamentals
- Registered a turnover of INR 1,003.19 crores in Q4 of FY 2024-25, breaking quarterly revenue generation record and crossing the INR 1,000 crores milestone for the first time
- Clocked a year-on-year increase of 6.80% in exports, reaching INR 1,161.76 crores, indicating strong international demand
- Witnessed increased demand in the commercial vehicle segment and continued expansion in the Autonomous, Connected, and Electric (ACE) domains, leading to year-on-year revenue surge
- Maintained initiatives to ramp up cost optimisation and supply chain resilience, contributing to improved EBITDA margins

Financial Performance Highlights

Revenue and Profitability

- Revenue from operations showed steady growth over the years, increasing from INR 1,929.56 crores in FY 2019-20 to INR 3,804.09 crores in FY 2024-25
- Gross profit before interest, depreciation, and tax improved significantly from INR 315.36 crores to INR 735.20 crores during the same period, reflecting enhanced operational efficiency and greater margins

Operational Efficiency and Liquidity

- Inventory turnover registered an upward swing, highlighting efficient management of inventory levels from 8.7 times in FY 2019-20 to 12.76 times in FY 2024-25. Debtors' turnover remained around 3.71 times, suggesting effective management of receivables
- Current ratio improved from 5.9 to 6.03 times, during the same period, indicating a healthy liquidity position and the ability to meet short-term obligations comfortably

Digitalisation

- Powers Apps for tracking and monitoring CAPEX projects deployed in an agile manner
- SAP implemented in our wholly owned subsidiary

Key Metrics Performance

Key Performance Indicators	FY 2024-25	FY 2023-24	Year-on-Year Growth (%)
Revenue (INR in crores)	3,804.09	3,783.71	0.54%
EBITDA as % of sales	19.33%	17.40%	11.09%
Profit after Taxation (PAT) (INR in crores)	458.66	404.78	13.31%
CAPEX (INR in crores)	161.01	185.31	(13.11)%
Equity (INR in crores)	9.48	9.48	-
Shareholder Funds (INR in crores)	3,210.80	2,788.60	15.14%
Debt	Nil	Nil	-

Dividend and Shareholder Returns

- Dividend Per Share (DPS) increased from INR 10 in FY 2019-20 to INR 19 in FY 2024-25, reflecting higher returns to our shareholders
- Book Value Per Share (BVPS) rose steadily from INR 998.84 to INR 1,692.78 during the same period, indicating growth in our intrinsic value per share

Profitability Measures

- Earnings Per Share (EPS) surged from INR 83.73 in FY 2019-20 to INR 241.81 in FY 2024-25, indicating an upward trend in profitability per share
- Return on capital employed and return on net worth recorded positive trends, increasing from 11.9% to 18.83% and from 8.6% to 15.29%, respectively, between FY 2019-20 and FY 2024-25. This surge signified efficient utilisation of capital and improved profitability relative to investments and net worth

Financial Position

- Total assets grew steadily from INR 3,369.34 crores as on March 31, 2024, to INR 3,760.49 crores as on March 31, 2025, denoting healthy asset growth during the period
- Net worth (shareholders' equity) increased from INR 1,894.55 crores in FY 2019-20 to INR 3,210.80 crores in FY 2024-25, implying a strong financial base and retained earnings

Our Financial Performance

We navigate an increasingly dynamic economic landscape with a firm focus on innovation, resilience, and forward momentum. Our ability to embrace emerging technologies, drive operational excellence, and foster a culture of continuous improvement gives us a unique competitive edge.

Aligned with our strategic direction, 'Redefining India's Mobility' bolsters our position as a trusted industry leader. Our financial capital serves as a critical enabler in delivering long-term value, supporting investments that amplify efficiency, advance vehicle safety, and accelerate digital transformation. Moreover, our economic performance is closely tied to customer satisfaction and our broader commitment to responsible business practices, sustainability, and inclusive growth. Through disciplined financial stewardship, we are well-positioned to achieve our strategic objectives and make significant contributions to the future of commercial mobility.

Economic Value Creation

Particulars	FY 2024-25 (INR in crores)	FY 2023-24 (INR in crores)	Year-on-Year Growth (%)
Economic Value Generated			
Total Income	3,913.84	3,879.00	0.90
Economic Value Distributed and Retained			
Total Expenses (Excluding Finance Costs and Depreciation)	3,178.64	3,220	(1.28)
EBITDA	735.20	658	-
Payments to Providers of Capital	32.24	24.66	30.74
Payments to Government	236.36	225	-
Community Investments, Including CSR Spent	7.95	5	-
Economic Value Retained (PAT)	458.65	405	-

Results



Operational Stability and Continuity

- A solid financial capital base equips us with the resources needed to sustain day-to-day operations and fulfil financial obligations reliably
- It enables the Company to navigate economic volatility and industry cyclicity without compromising performance
- Financial stability fosters confidence among key stakeholders, including customers, suppliers, employees, and partners, thereby strengthening long-term relationships
- Consistent operational continuity supports our ability to maintain market competitiveness and deliver on strategic goals



Risk Mitigation and Resilience

- A strong financial capital base acts as a safeguard against external risks, including market fluctuations, supply chain disruptions, and regulatory shifts
- It fortifies the Company's ability to respond proactively to unforeseen challenges, minimising disruptions to operations
- Financial resilience supports stable performance, even in adverse conditions, helping to protect both short-term outcomes and long-term strategic priorities
- This strength enhances stakeholder confidence in our ability to manage uncertainty and sustain value creation



Investment in Growth and Expansion

- Sufficient financial capital enables us to pursue strategic growth initiatives, including capacity expansion, infrastructure upgrades, and sophisticated product development
- These targeted investments strengthen manufacturing capabilities and augment technological competitiveness
- Scaling portfolio and entering new markets supports sustained revenue growth and increased market share
- Long-term profitability is driven by our ability to align financial resources with innovation and operational excellence



Attractive Returns for Investors

- Effective stewardship of financial capital, combined with strong operational performance and strategic growth, contributes to generate attractive returns for investors
- These returns may take the form of dividends, capital gains through share price appreciation, or value-accretive reinvestment opportunities
- Consistent financial performance and transparent capital management bolster investor trust and long-term engagement
- This confidence augments our ability to access additional funding when needed, supporting future expansion and innovation



Technological Leadership and Innovation

- Robust financial capital empowers us to invest strategically in research and development (R&D), driving continuous innovation and technological advancement
- These investments enable the development of breakthrough solutions that address emerging customer needs and align with future mobility trends
- Sustained focus on innovation cements our stature as a technology leader in the commercial vehicle sector
- By staying ahead of the curve, we maintain our competitive edge and deliver differentiated value to customers and partners



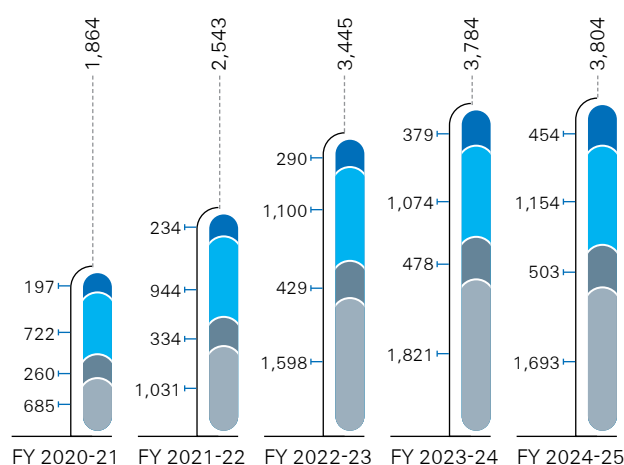
Sustainable Business Practices

- Financial capital enables us to invest in initiatives that promote environmental sustainability, social responsibility, and strong corporate governance
- These investments support the transition to cleaner technologies, responsible sourcing, energy efficiency, and inclusive workplace practices
- Alignment with sustainable business principles accentuates our brand reputation and appeal to socially conscious investors, customers, and talent
- We integrate sustainability into our core strategy to create long-term value for all stakeholders and contribute to a more resilient, inclusive future

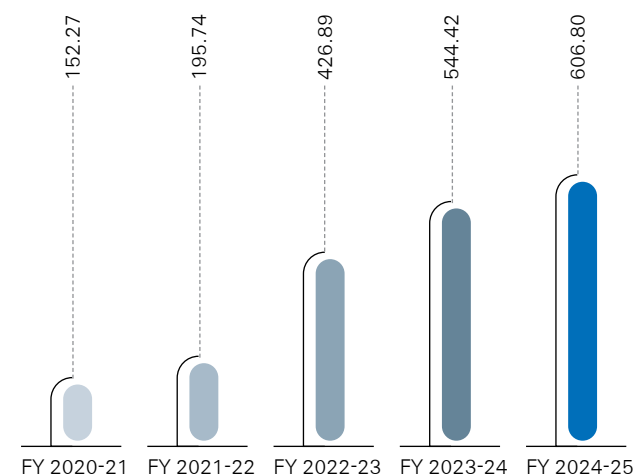
By effectively managing and optimising financial capital, we drive operational excellence, promote sustainable growth, and accelerates innovation. This financial discipline also amplifies our ability to mitigate risks and adapt to market dynamics with confidence.

Annual Performance

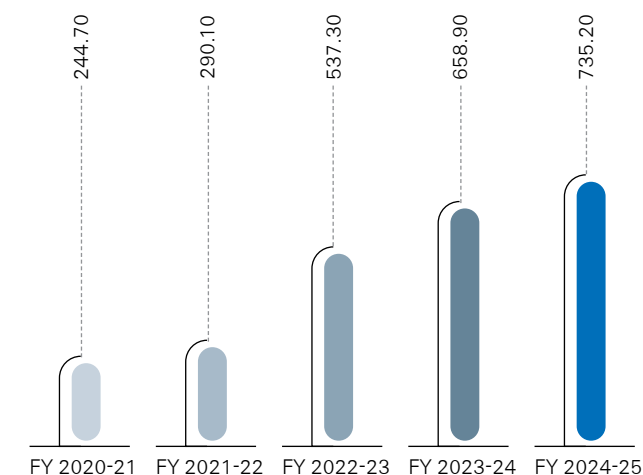
Revenue from Operations (INR in crores)



Profit before Taxation (INR in crores)



EBITDA (INR in crores)



We generate revenue through the supply of advanced automotive products, technologies and solutions to both Original Equipment Manufacturers (OEMs) and the aftermarket segment. With a well-diversified product range and a broad customer base, we effectively lower dependence on any single market vertical. This positions us as an end-to-end solutions provider for commercial vehicle OEMs, fleet operators, and aftermarket partners. Through continuous innovation and value-driven products, we remain a trusted collaborator for Indian OEMs and fleet customers over the years.

Tapping into emerging trends, we are actively developing Autonomous, Connected, and Electrified (ACE) technologies to drive the future of next generation mobility in India's commercial vehicle landscape.

As sustainability reshapes the industry, we lead the way in fast tracking India's electric mobility shift. With deep expertise across the automotive value chain, we drive key initiatives to accelerate EV adoption.

Driving Profitability through Strategic Actions

Our sharp focus on operational efficiency and cost discipline led to an upward trajectory in Profit Before Tax (PBT) and EBITDA. Key enablers of this improvement include:

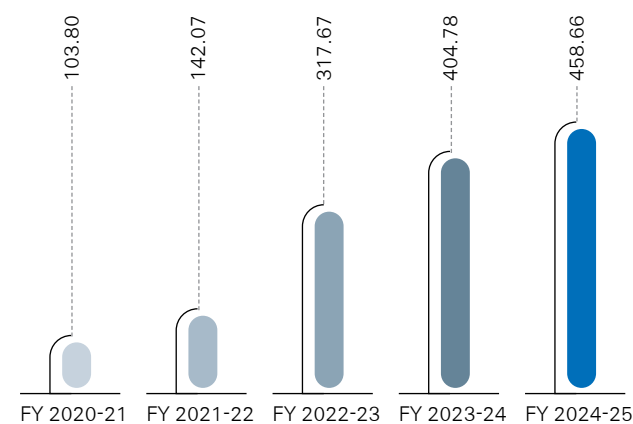
- Securing fair value through improved customer compensation
- Boosting material productivity and resource utilisation
- Implementing continuous improvement programmes across factory operations
- Streamlining Selling, General and Administrative (SG&A) expenses through better governance and cost control

Service Income

An increase in global support headcount by 120 was instrumental in boosting global billing performance, contributing to improved service delivery and operational scalability.

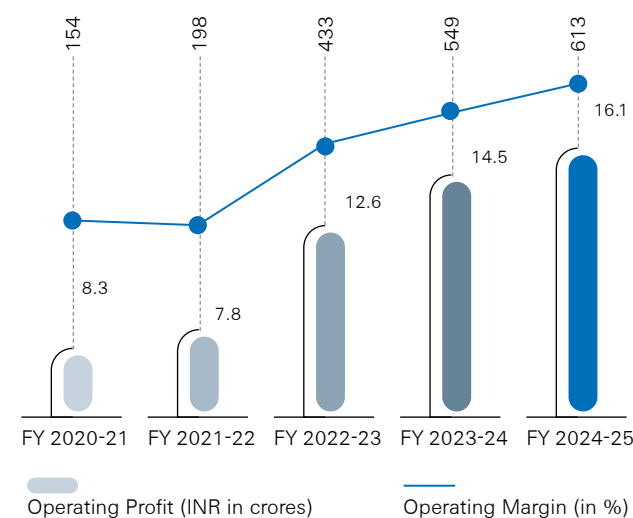
Profit after Taxation

(INR in crores)



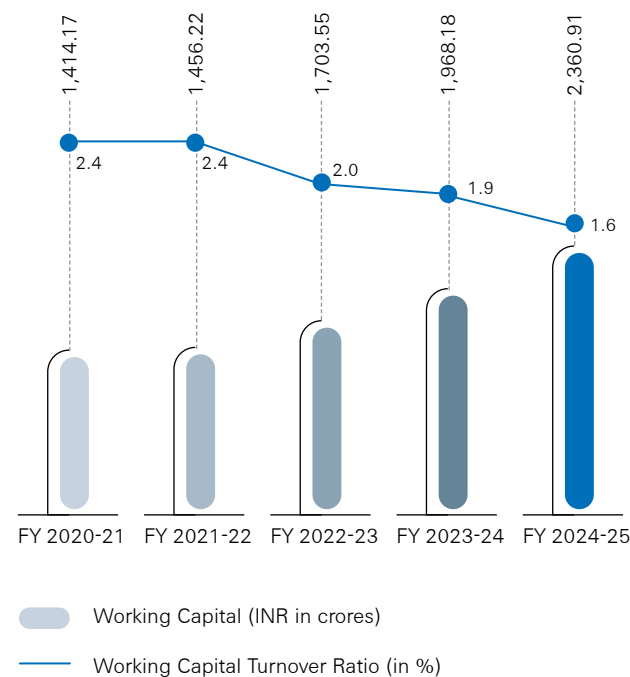
Effective Tax Rate is **24.41%**

Operating Profit Trend



Working Capital Trend

We embraced lean inventory management and leading-edge demand forecasting to minimise holding costs and boost inventory turnover. In parallel, strategic supplier partnerships and optimised payment terms were established to maintain strong liquidity, while maintaining supply chain reliability.



Shareholder Value Creation

Historical Trend Data

Absolute Share Price Return (17 Years of Listing: 2008-2025)



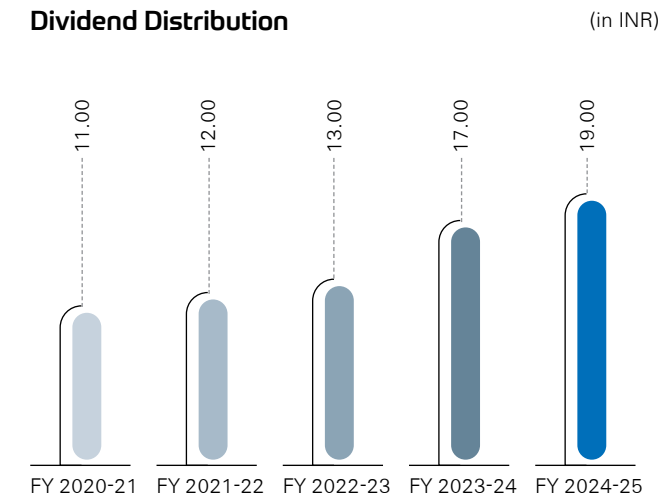
ZF CVCS India Limited vs NSE NIFTY: FY 2024-25



ZF CVCS India Limited Vs BSE Sensex: FY 2024-25



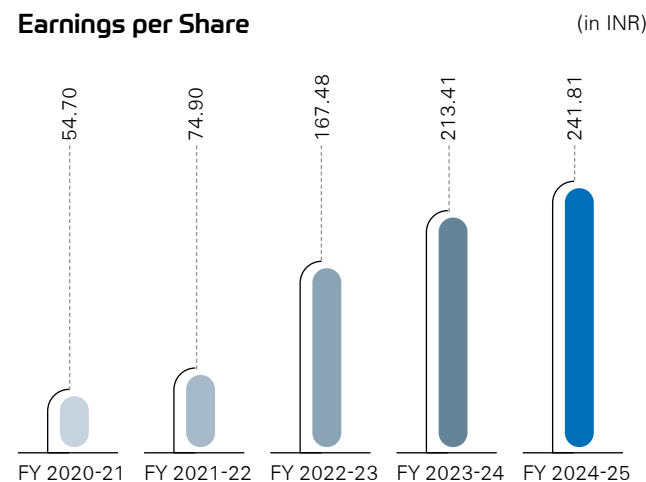
Dividend Distribution



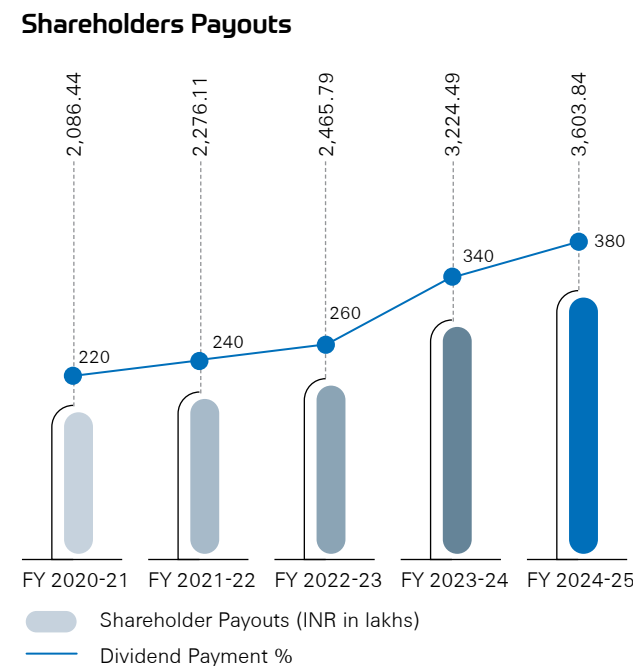
We aim to deliver long-term value to all stakeholders, while providing shareholders with strong returns through consistent dividend payments.



Earnings per Share



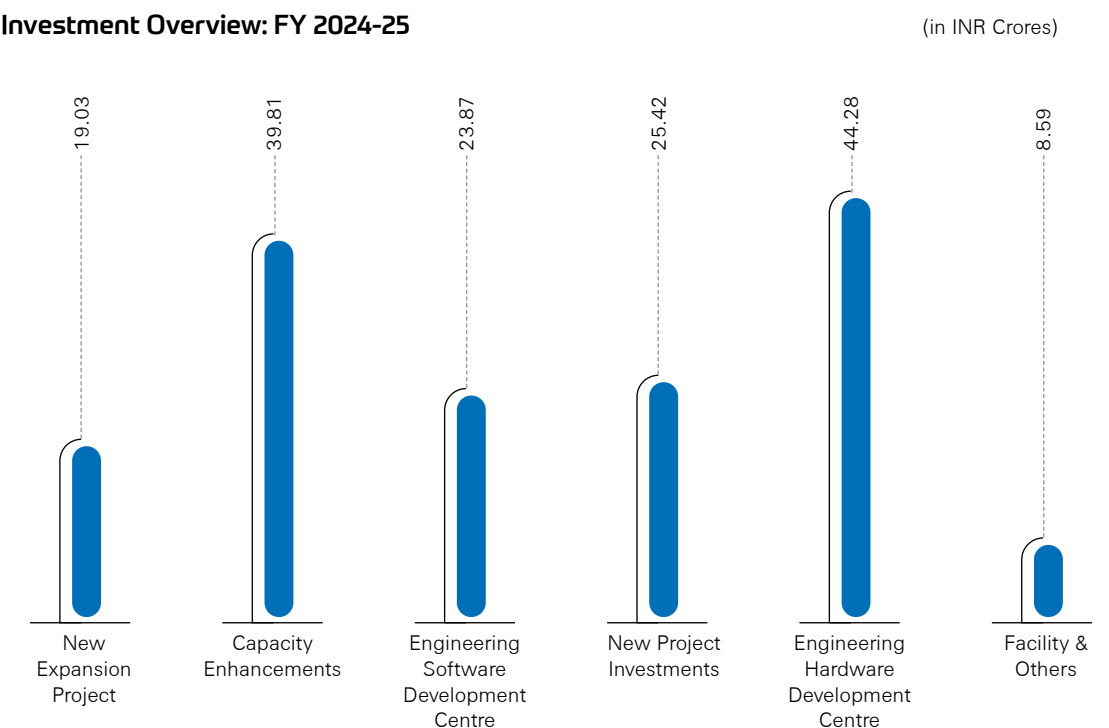
Shareholders Payouts



Capital Expenditures and Investments

We continue to allocate a significant portion of our financial capital towards capital expenditures, including the upgrade of manufacturing facilities, acquisition of new machinery and equipment, and expansion of production capacities. During the year under reporting, our total CAPEX spending stood at INR 161 crores. These investments drive us to maintain our technological edge, augment operational efficiency, and address evolving customer demands. The overview of our major CAPEX projects is presented below:

CAPEX Investment Overview: FY 2024-25



Cash Flow Optimisation

We strengthened cost efficiency and boosted cash generation through ongoing improvement initiatives and increased automation across manufacturing operations. Capital investments are aligned with our strategic business plan, with a focus on advanced technology products, electric mobility, and the expansion of our manufacturing footprint. Liquidity is carefully managed through continuous monitoring of cash positions, disciplined receivables management, timely investment decisions, and centralised treasury operations.

Tax Approach	(in INR Crores)
Financial Subsidy from the Government	Value
Tax Deductions and Tax Credits	97.03
Financial Incentives*	7.36

*Note: The above financial incentives include Remission of Duties and Taxes on Exported Products (RoDTEP) and duty drawback.

We follow a well-defined and proactive tax strategy designed to ensure compliance, operational efficiency, and alignment with our overall business goals. Our tax function, which covers both direct and indirect taxes, operates within a structured framework that emphasises accuracy, accountability, and transparency. Led by a dedicated tax team, we apply a maker-checker process to ensure that every aspect of our tax strategy is carefully developed and consistently implemented. The Head of Taxation regularly reviews this strategy in close coordination with the CFO and senior management, ensuring it remains well-integrated into our broader operational plans.

Our approach is adaptive and responsive to business needs. We continuously evaluate and update our tax strategy to reflect changes in laws and regulations. These updates are

then promptly incorporated into our ERP systems for seamless execution across functions.

Transparency is central to how we manage and report our tax matters. We provide stakeholders with clear and comprehensive disclosures, including tax provisions, deferred tax positions, and other relevant information. This commitment extends beyond compliance, as we actively assess tax risks, plan effectively, and collaborate with various internal teams to maintain alignment and reduce exposure.

We also place strong emphasis on governance and internal controls, supported by regular communication and knowledge sharing across departments. This helps build a culture of tax awareness and accountability across the Company.

We maintain open and constructive communication in our engagement with tax authorities and external stakeholders. We respond to queries in a timely manner and keep all parties informed of significant developments in tax policies and regulations. By cultivating a culture rooted in diligence, transparency, and collaboration, we fortify our tax approach to support compliance, while enabling the business to navigate the evolving tax landscape with confidence and agility.

Way Forward

Revenue Growth	Profitability	Capital Efficiency	Shareholder Value Creation
Product Innovation Continued investment in Autonomous, Connected, and Electric (ACE) technologies to meet evolving OEM and fleet demands.	Operational Efficiency Focus on lean manufacturing, automation, and digitalisation to reduce costs and improve margins.	Disciplined CAPEX Prioritising investments in strategic projects, especially in green and digital technologies.	Sustainable Growth Aligning with India's decarbonisation goals to attract ESG-focused investors.
Market Expansion Strengthening presence in domestic and export markets, through localised manufacturing and R&D.	Value-added Offerings Shifting towards premium, high-margin products such as electronic braking systems and EV components.	Working Capital Optimisation Enhancing inventory turnover, receivables management, and exploring supply-chain financing to improve liquidity.	Transparent Governance Maintaining strong corporate governance and investor communication.
Aftermarket Growth Leveraging its nationwide service network to boost recurring revenue from aftermarket and fleet solutions.	Customer-centric Pricing Strategic pricing adjustments to recover input cost increases while maintaining competitiveness.	Strategic Capacity Expansion Aligning production with demand forecasts and using flexible manufacturing to minimise overcapacity and idle assets.	Long-term Returns Balancing reinvestment in growth with consistent profitability and capital appreciation.



Capital-wise Progress

Manufactured Capital

We continue to build operational resilience on the strength of our manufactured capital – an integrated network of sophisticated facilities, cutting-edge machinery, and intelligent infrastructure. Our strategically located manufacturing sites, backed by sound logistics and continued investment in automation and digitalisation, enable us to deliver with scale, speed, and precision. This physical backbone empowers us to uphold the highest standards of quality and adapt swiftly to changing market dynamics and regulatory landscapes. By continuously modernising our asset base, we ensure that our operations remain future-ready, flexible, and in step with the evolving demands of commercial transportation.



Material Issues Addressed

- Opportunities in Green Building
- Responsible investment
- Climate Change Vulnerability

Linkage with Other Capitals



Financial



Intellectual



Human



Natural



Social & Relationship

Stakeholders Impacted

- Investors and Shareholders
- Customers
- Employees
- Channel Partners and Suppliers

SDGs Impacted



Driving the Future of Safe and Sustainable Mobility

We stand at the forefront of top-of-the-line braking technologies, offering an extensive portfolio of conventional and advanced braking systems. Our commitment to accident-free driving and sustainable mobility reflects in every solution we deliver.

With a strong focus on Autonomous, Connected, and

Electric (ACE) technologies, we are shaping the future of commercial transportation in India. Our industry-leading innovations help customers transition towards safer, cleaner, and more efficient mobility solutions.

Through our agile capital planning, we maintain the flexibility to embrace evolving customer requirements, social and regulatory expectations,

and market dynamics. Our well-integrated network of owned, leased, and managed facilities augments our ability to deliver value consistently and efficiently.

We are dedicated to building a future centred on safety, sustainability, and innovation for India's commercial vehicle ecosystem.

Robust and Future-Ready Manufacturing Footprint

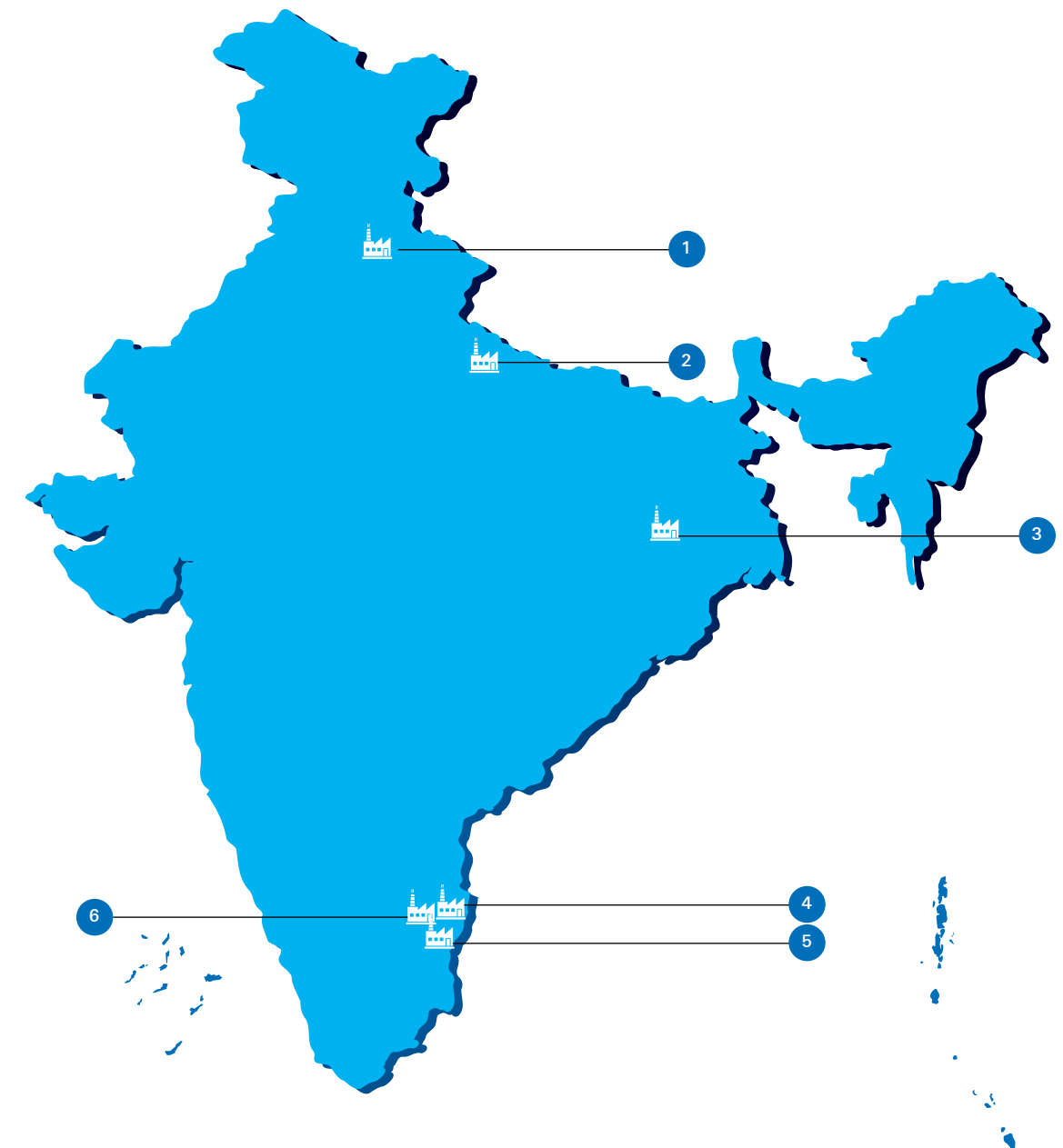
We derive our strength from a resilient and future-ready manufacturing set up that reflects our focus on operational excellence, customer proximity, and innovation-led growth. We leverage a well-planned network of six sophisticated facilities located in Ambattur, Oragadam, and Kancheepuram in Tamil Nadu; Jamshedpur in Jharkhand; Lucknow in Uttar Pradesh; and Pantnagar in Uttarakhand. By positioning our plant locations close to key customers, we boost responsiveness, reduce lead times, and deliver with agility.

Each of our facilities is built to meet the highest standards of quality, safety, and efficiency. We focus on precision and consistency because we know how critical reliability is in the commercial vehicle space.

Currently, five of our plants – Ambattur, Mahindra World City, Jamshedpur, Lucknow, and Pantnagar – are operating at 65-80% capacity utilisation. Our Oragadam facility is ramping up as a centre of excellence in cutting-edge technology products and brake actuators catering to global markets. This plant plays a pivotal role in our strategy to strengthen exports and scale innovation-led manufacturing.

To optimise utilisation across all facilities, we are introducing new product lines such as twin-cylinder compressors and brake actuators for exports, as well as compressors, valves, and other advanced systems for our domestic OEM customers. These initiatives are complemented by the deployment of strategic footprint projects that elevate plant efficiency and enable greater operational agility and scalability across our network.

We are continuously investing in smart automation, digital tools, and the latest technologies to keep our operations sharp and future focussed. By modernising our production environment and embracing innovation, we are creating a robust, scalable, and sustainable manufacturing ecosystem that is ready to support the existing and emerging demands of our customers.



1 Pantnagar

JIT site for a CV OEM; end fitting of other production sites; low complexity; different core competency

Set Up In 2012; 1 Value Stream; 2,200 sq.mt. Mfg. Area; 100 Employees; 16 Assembly Cells

2 Lucknow

Low complexity – assembly and wiring harness; growing site; expanding customers

Set Up In 2013; 2 Value Streams; 3,300 sq. mt. Mfg. Area; 450 Employees; 14 Assembly Cells

3 Jamshedpur

Fast growing site; conventional products plus strategic products ASA and LACS; machining, assembly, surface treatment

Set Up In 2007; 2 Value Streams; 10,670 sq. mt. Mfg. Area; 500 Employees; 30 Assembly Cells; 10 Machining Cells

4 Ambattur

Growing in product complexity; machining, assembly, surface treatment, heat treatment, injection molding; 94% domestic customers

Set Up In 2005; 8 Value Streams; 16,000 sq. mt. Mfg. Area; 1,400 Employees; 80 Assembly Cells; 45 Machining Cells

5 Oragadam

Next generation products focussing on ACE domain; machining and assembly; 100% domestic customers

Set Up In 2024; 1 Value Stream; 7,200 sq. mt. Mfg. Area; 50 Employees; 6 Assembly Cells; 5 Machining Cells

6 Mahindra World City

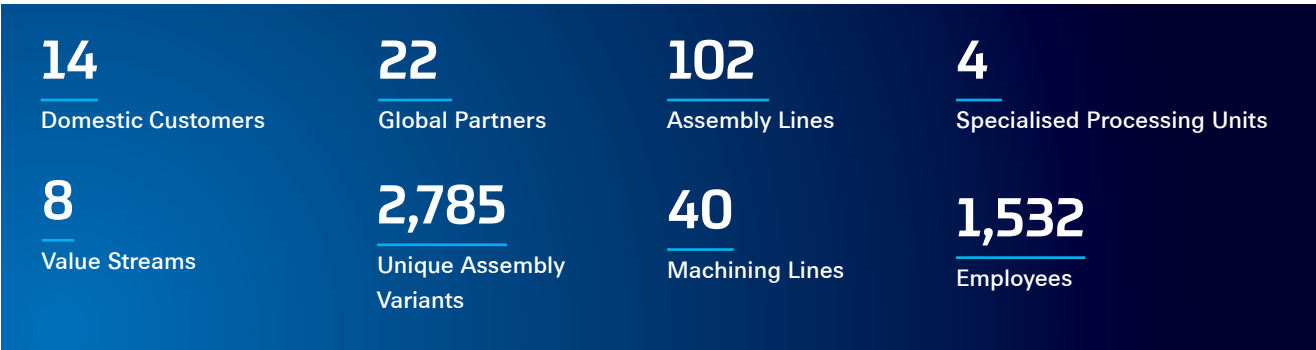
Conventional products plus ASU hub for worldwide compressor manufacturing; machinery, assembly, painting, surface treatment (ST), heat treatment (HT); 100% export to CAR and CV industry

Set Up In 2008; 5 Value Streams; 9,500 sq. mt. Mfg. Area; 1,100 Employees; 29 Assembly Cells; 33 Machining Cells

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.

Ambattur

We established our Ambattur facility in Chennai in 2005, spearheading our manufacturing presence in India. Spread across a 10-acre campus with a built-up production space of 16,000 sq. m, this plant is strategically crucial in serving both domestic and international markets. It contributes over 60% of our total manufacturing output in India, highlighting its tactical relevance.



We take immense pride in the Ambattur plant, embodying our manufacturing excellence and demonstrating our commitment to India’s industrial growth. Moreover, the facility reflects our promise to deliver world-class mobility solutions, built to support the changing priorities of mobility stakeholders at home and abroad.

Jamshedpur

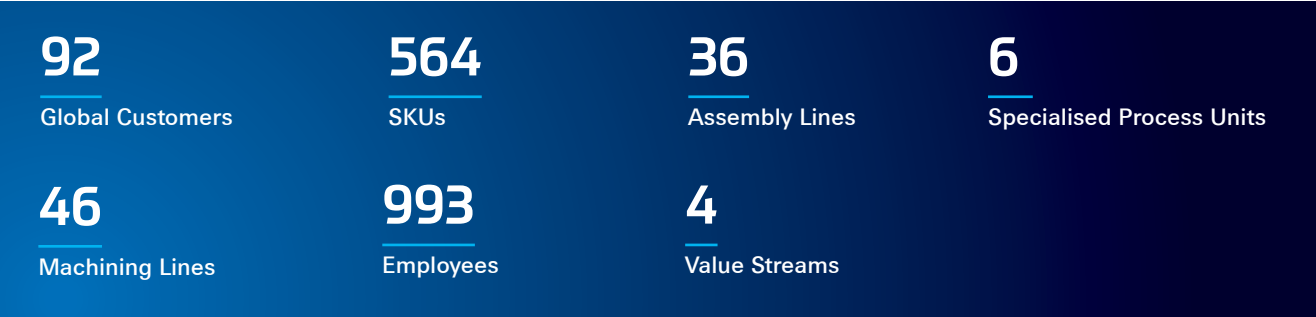
We set up our Jamshedpur plant in 2007 as part of a strategic initiative to boost our customer proximity and amplify operational responsiveness. Located in the vicinity of key OEM partners, the facility plays an essential role in supporting Just-in-Time deliveries and streamlining supply chain operations. Spread across 11 acres and housing more than 10,600 sq. m of production space, the plant is built to deliver high-efficiency manufacturing. It continues to evolve in line with the dynamic requirements of the commercial vehicle industry, bolstering our focus on dependable and customer-centric production.



In recognition of its operational excellence, the Jamshedpur facility was honoured with the TPM Excellence Award by the Japan Institute of Plant Maintenance (JIPM) in 2018. This achievement reflects our deep commitment to continuous improvement and precision manufacturing, while generating value for customers every day.

Mahindra World City (MWC)

We built our Mahindra World City (MWC) plant near Chennai in 2008, located in the heart of a leading Special Economic Zone. Built on 7.5 acres and featuring 9,500 sq. m of leading-edge production space, the facility plays a key role in our global supply network. Recognised as a Centre of Excellence for high-precision products, such as air compressors and actuators, this unit fortifies our position as a hub for innovation and quality manufacturing, serving customers worldwide with sharp competitive edge.



Sustainability is deeply integrated into our operations. Today, 33% of the plant’s energy needs are met through solar power, reflecting our commitment to cleaner, future-ready manufacturing.

The MWC plant stands out for its operational stringency and quality excellence, earning multiple industry recognitions along the way. It received the TPM Excellence Award in 2016 and the Consistency Award in 2018 from JIPM. The facility secured the Future Ready Factory Award from Frost & Sullivan in 2017 and the Export Excellence Award from the Government of India for two years in-a-row in 2017 and 2018. The robust quality centricity of the plant was acknowledged with 13 national and 2 international awards, including the ZF DNA of Quality Award and the IMEXL Distinguished Prize in 2023.

Pantnagar

We commissioned our Pantnagar plant in 2012 as part of our footprint strategy to stay closer to major OEMs. Built to provide last-mile customisation and agile support, the facility is strategically located to serve a CV OEM, enabling seamless Just-in-Time (JIT) deliveries and fast, reliable service. Spread across 1 acre with a production area of 2,200 sq. m, the plant focuses on tailored assembly operations that align with the shifting preferences of customers.



Lucknow

We unveiled our Lucknow plant in 2013 to maintain strategic proximity with key customers, while playing a vital role in supporting agile and responsive manufacturing in Northern India. Designed to serve the dynamic needs of OEMs, the facility paves the way for timely and efficient delivery through sound assembly capabilities.

Occupying 10 acres with a built-up production space of 3,300 sq. m, the Lucknow plant is steadily expanding its operational footprint. With a sharp focus on quality and customer alignment, the facility features a specialised wiring harness unit, supporting a growing range of conventional products.



22

Assembly Lines

423

Skilled Workforce

Oragadam

We launched our Oragadam plant in 2024 as the sixth manufacturing facility in India, reflecting our strong commitment to ‘Make in India, for India and for the World’. Covering more than 7,000 sq. m, the plant plays a vital role in delivering top-tier technologies for the commercial vehicle segment, including chassis and electric components, such as e-compressors for light and medium-duty vehicles.



85

Skilled Workforce

80%

Female Workforce

The site features two key operations. ZF CV Control Systems Manufacturing India Private Limited (MIPL) unit focuses on breakthrough technologies across three pillars, consisting of e-mobility with e-compressors, safety with Hydraulic Electronic Stability Control (ESC), and efficiency with Air System Protector (ASP) Cartridges. On the other hand, the Operations and Maintenance Centre (OMC) unit houses new assembly lines for Automatic Slack Adjusters and Double Diaphragm Spring Brake Actuator (DDSBA), catering to both domestic and export demand.

The Oragadam facility deeply embeds sustainability and inclusion in its operational ethos. The plant runs entirely on renewable energy, supported by a 450 kWp solar power system, and remains on track to achieve water neutrality by 2025.

This facility strengthens India’s strategic significance within our global manufacturing network, positioning us on a robust ground to effectively address the dynamic preferences of customers around the world. Moreover, it contributes meaningfully to India’s broader vision of sustainable industrial growth.

Our Manufacturing Processes

Our manufacturing units are equipped with modern, self-sufficient facilities, upholding high standards of quality and precision. Surface treatment and heat treatment processes are carefully integrated to improve the durability and performance of every product we make.

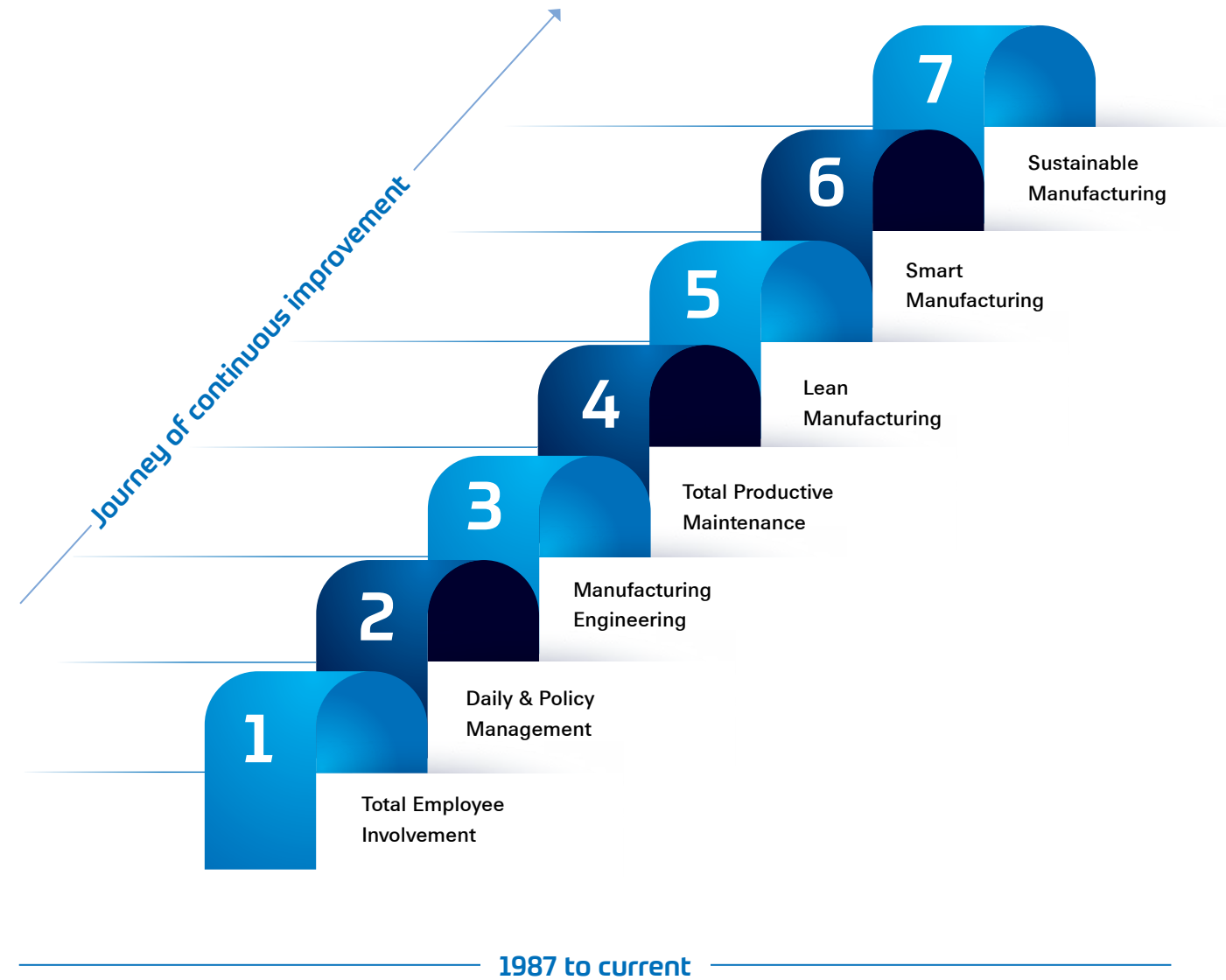
Facility	Assembly	Machining	Surface Treatment				Heat Treatment		
			Transmission Control Protocol	Impregnation	Anodising	Powder Coating	Induction Hardening	Plasma Nitriding	Carburising
Ambattur	✓	✓	✓	✓	✓		✓	✓	
Mahindra World City	✓	✓	✓	✓	✓	✓		✓	✓
Jamshedpur	✓	✓	✓	✓			✓		
Lucknow	✓								
Pantnagar	✓								
Oragadam	✓	✓							

Commitment to Global Standards

We align our manufacturing facilities with the highest global benchmarks, securing certifications under IATF 16949, ISO 14001, ISO 45001, and ISO 50001 – emphasising our firm focus on quality, sustainability, and employee well-being.



Empowering Manufacturing Progress through a Culture of Excellence



We believe in doing things better – every single day. What drives our manufacturing ecosystem is a culture that empowers people, embraces improvement, and evolves with purpose. This mindset shaped our journey of operational excellence, beginning with the adoption of Total Quality Management (TQM) which set the tone for active employee involvement through idea generation and quality circles. Shop floor teams take charge of daily operations, while middle management steers larger breakthroughs using Hoshin Kanri, facilitating strategic alignment across every function.

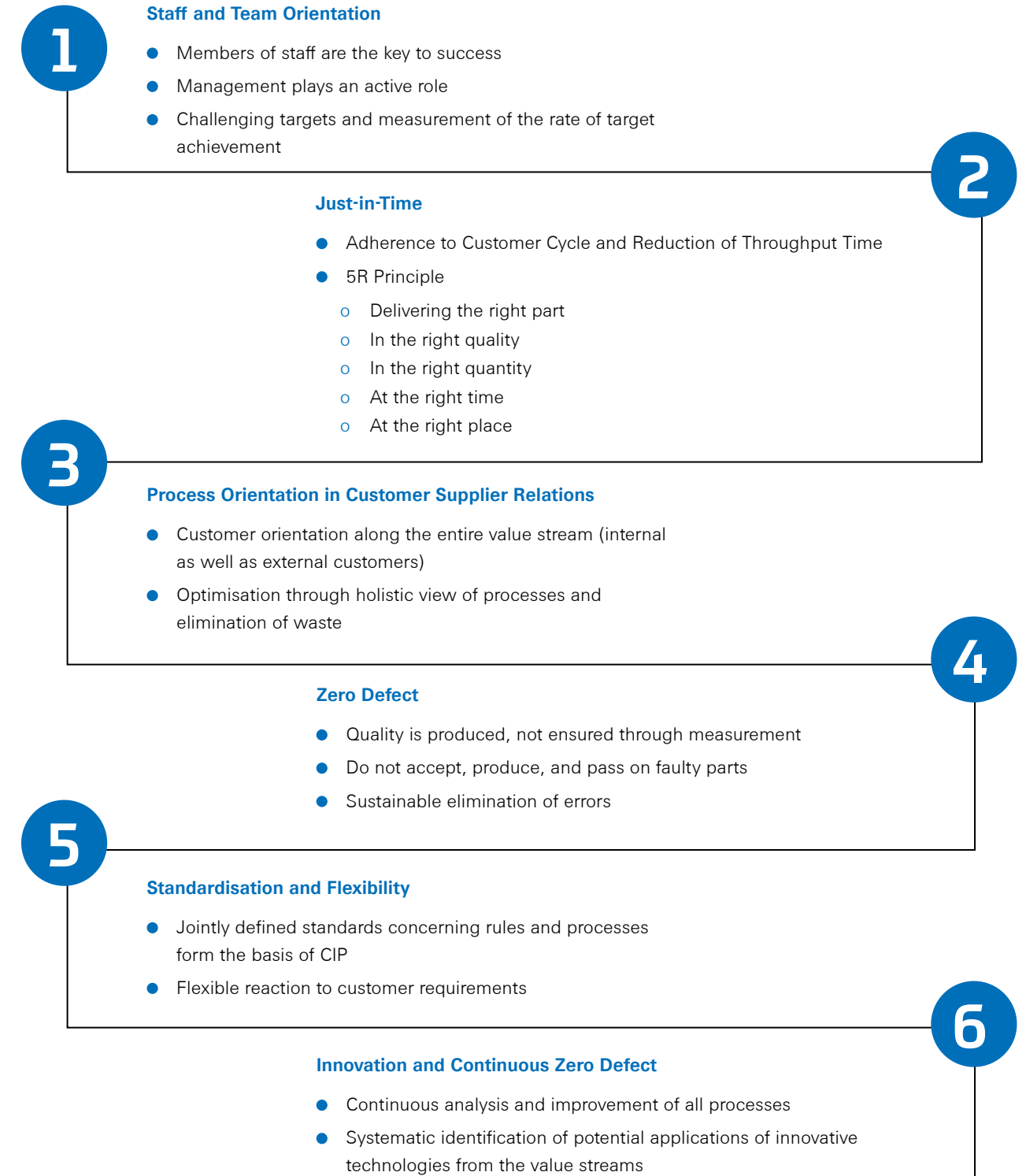
Over the years, we reimagined our assembly systems, transitioning from traditional layouts to agile, mixed-model configurations designed for flexibility and built-in quality. Supporting this transformation is our Lean Equipment Development (LED) Centre, which creates smart, modular systems, custom-adjusted for our manufacturing needs. Building on the principles of TQM, the implementation of Total Productive Maintenance (TPM) fosters shared ownership of equipment performance. This approach encourages deeper involvement from

plant floor teams and drives consistent productivity gains, promoting proactive problem-solving. Today, lean thinking is embedded into our operations, stretching beyond production lines to cover the entire value chain. Back in 2017, we launched our digital transformation journey with a forward-looking mindset. Driven by a structured digital vision, each plant was encouraged to shape its own innovation roadmap, aligning technology with business priorities and creating meaningful impact.

ZF Production System

We power our ambition to lead in global automotive and industrial technologies through a sound and dynamic production system. It promotes a responsive, lean, and innovation-driven environment where every team member contributes to smarter workflows and zero waste. With this edge, we aim to consistently exceed customer expectations through precision, agility, and operational excellence.

6 Lean Principles



Building the Next-Generation Manufacturing Ecosystem

We believe that embracing digitalisation is key to redefining the factory of the future. Our next-generation manufacturing ecosystem is built on six foundational pillars, each designed to unlock peak performance through augmented safety, streamlined efficiency, and uncompromising quality.

Six Pillars

Data-Driven Processes and Decisions (End-to-End)

Paperless Shop Floor

Intelligent Resource Management (Efficient & Sustainable)

Intelligent Machines & Fully Connected Production

Digital-enabled Workforce (Tools & Skills)

Data Visibility and Transparency (Historical Real-Time, Simulation)

At our Ambattur facility, we implemented the Digital Manufacturing Platform of ZF, a cloud-based Industrial Internet of Things (IIoT) solution that enables real-time condition monitoring of CNC machines. This initiative is aimed at optimising maintenance costs and preventing unexpected breakdowns. The platform supports automated data collection and processing, offers standardised reporting, and provides real-time insights to drive data-driven decisions on the shop floor.

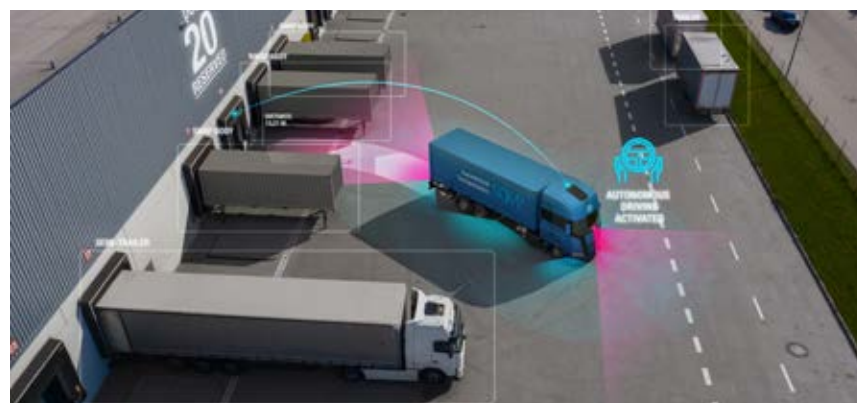
In parallel, we are actively fostering citizen development within our manufacturing operations by leveraging low-code and no-code platforms. This approach promotes data mobility, accelerates digital adoption on the shop floor, and empowers teams to develop agile solutions tailored to operational needs. These tools are accelerating our transition to a paperless shop floor and helping streamline business processes, facilitating more rapid and informed decision-making.

Our new plant in Oragadam already commenced production of sophisticated e-mobility components, including e-compressors and ESC systems. Plans are under discussion to initiate in-house manufacturing of Electronic Control Units (ECUs) in the medium term, further boosting our capabilities in future-leaning mobility technologies.

Smart Automation

We have developed an economically viable vision system powered by AI and machine learning. It supports three key applications on the shop floor, including serving as a poka-yoke (mistake-proofing) system, facilitating automated visual inspection of finished products, and verifying each work step during assembly to uphold compliance at the operator level.

Smart automation through the use of robots, cobots, and focussed digitalisation projects was implemented across selected manufacturing cells, delivering a 20-30% improvement in direct labour productivity.

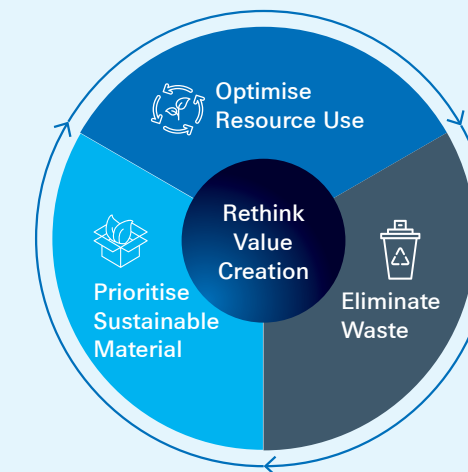


and product quality. Our focus remains on continuous innovation. We strive to optimise processes and stay aligned with the future-ready technologies that are transforming the trajectory of smart manufacturing.

Driving Sustainable Manufacturing

We drive our sustainability agenda in alignment with ZF Group's 'Next Generation Mobility' strategy, which shapes the way we innovate, operate, and grow. This strategic framework actively supports our responsibility for creating long-term value across all three pillars of sustainable development, consisting of environmental stewardship, social impact, and strong governance.

Driving Sustainable Manufacturing through circularity



- Zero Lift or Push
- Driving Automation to Minimise Repetitive Tasks



- Pneumatic Free Machines
- Switching from HP to LP



- Zero Water Withdrawal for Process
- Water Conservation & Water Positive



- Factory Efficiency (OEE, FCP)
- Efficiency Using Analytics & Digitalisation



- Energy Efficiency Improvements
- Scaling Up Renewable Energy



- Fossil Fuels Zero – Diesel & LPG
- Heat Recovery & Reuse



- Reduce Waste at Source
- Zero One Way Packaging
- Reuse of Scrap - Closed Loop
- Zero Waste to Landfill & Incineration

We recognise that progress becomes empowering when it surpasses the confines of organisational metrics to positively impact the contours of our society and planet. To cultivate this mindset across operations, the Group unveiled the 'Acting Now' initiative, aimed at driving real, measurable change.

In full alignment with the Group's sustainability vision, we integrated its ambitious climate goals into our strategic roadmap. Our manufacturing operations are playing a critical role in propelling the bold target of ZF and supporting its endeavour to achieve climate neutrality by 2040, demonstrating

how purposeful action can power the future of mobility. As part of this journey, we launched a company-wide Energy Efficiency Programme that brought together cross-functional teams from operations and support functions. This unified effort led to the successful execution of 103 energy-saving projects across multiple sites, delivering a significant 12% reduction in energy consumption.

To build on this momentum, we collaborated with the Industrial Energy Assessment Cell (IEAC) at IIT Madras to conduct detailed energy audits at our Ambattur and Mahindra World City facilities. These assessments identified over 20%

additional energy efficiency potential, highlighting the value of data-driven insights and strategic partnerships in driving continuous improvement.

Complementing our efforts to reduce energy consumption, we are also actively investing in renewable energy solutions. At our Jamshedpur facility, a 500 kWp rooftop solar installation now supplies 25% of the plant's energy needs. Similarly, our Pantnagar site operates a 60 kWp rooftop solar system, meeting 40% of its total energy demand. These initiatives go a long way in lowering our carbon footprint and supporting our long-term vision for cleaner, self-sustaining operations.

To further our transition towards low-carbon manufacturing, we introduced electric induction vessels at our Ambattur facility, completely eliminating diesel usage in the kitchen operations. This move removed approximately 66,000 litres of diesel consumption annually and prevented the emission of around 151 tonnes of CO₂ equivalent, fortifying our commitment to phasing out fossil fuels wherever possible.

Our sustainability approach also embraces circularity, with a strong emphasis on responsible waste management and resource recovery. At the Mahindra World City plant, we achieved zero waste to landfill and incineration by redirecting hazardous waste for reuse in the cement industry, reflecting our proactive stance on environmental stewardship.

Adding to these achievements, our Oragadam facility was awarded the LEED Gold certification by the U.S. Green Building Council. This global recognition affirms our integration of sustainable design and construction principles, including innovations in energy efficiency, water conservation, and the use of environmentally responsible materials.



Scope 1 Emissions – No Fossil Fuel Dependence

The Oragadam facility achieved zero Scope 1 emissions by completely eliminating the use of diesel and LPG for canteen and operational needs. This transition to cleaner alternatives led to an annual reduction of approximately 900 tonnes of CO₂ equivalent, contributing significantly to our climate goals.



Scope 2 Emissions – 100% Renewable Energy

The plant operates on 100% renewable energy, with 40% sourced from onsite rooftop solar installations and 60% from group captive solar and wind energy. This clean energy mix enables the facility to operate entirely without grid-based fossil fuel power.



Circularity – Water Positive & Zero Waste

The site is on track to become water positive by 2027, aligning with our pursuit of circular sustainability. Currently, 70% of the facility's water needs are met through rainwater harvesting (1,300 kilolitres), effectively downsizing groundwater withdrawal. Additionally, the plant secured the feat of 100% waste recycling, bolstering our commitment to resource efficiency and responsible operations.

Additionally, the MWC team received the Gold Award in the Sustainability category at the CII National Kaizen Competition for achieving a 25% reduction in LPG consumption in the powder coating process.

Together, these initiatives form a holistic sustainability framework that spans energy efficiency, renewables integration, waste reduction, and green infrastructure development. They exemplify how

cutting-edge innovation, cross-functional collaboration, and purpose-driven action are empowering us to build a resilient, future-ready manufacturing ecosystem rooted in environmental responsibility.

Employee Involvement – Foundation of a Safer, Smarter Workplace

We recognise that true safety and sustainability start with people. Employee involvement continues to be the driving force behind building a resilient safety culture and fostering a

healthy, responsible workplace. This year, we rolled out a series of focussed engagement programmes aimed at strengthening safety-first behaviour on the shop floor. Anchoring these efforts

is the theme 'Be the STAR', which encourages employees to take active ownership of their role in shaping a better work environment. STAR reflects four key mindsets:

**Safety
Champion**

**Transformation
Agent**

**Active
and Fit**

**Resource
Conscious**

Going beyond compliance, this initiative promotes a mindset shift, inspiring employees to integrate EHS (Environment, Health, and Safety) practices into their daily routine. As part of the broader Resource Conscious Challenge, it also

emphasises the 5R principles: refuse, reduce, reuse, repurpose, and recycle. Through this collective, ground-up approach, employees are helping turn ideas into action. Their active contributions are making our

workplaces more efficient, environmentally aware and safety-focused. Every small step forward is helping us build a stronger, more sustainable future rooted in shared responsibility and continuous improvement.

Strategic Outlook

As we chart the path ahead, our focus remains on scaling up capabilities, accelerating innovation, and driving sustainability across operations. We are set to expand our Oragadam facility to support the growing demand for leading-edge technology products in the e-mobility space. Moreover, we are planning to scale up select manufacturing plants located near key OE customers to sharpen our responses to market needs, supporting organic growth in

the domestic commercial vehicle sector, while strengthening our export footprint. By emphasising digitalisation and advancing smart automation across factories, we are boosting competitiveness, driving operational efficiency, and amplifying manufacturing excellence. Sustainability remains central to our strategy, and we aim to leapfrog progress by targeting an 80%

reduction in Scope 1 and Scope 2 emissions by 2030, positioning our operations as a benchmark in responsible manufacturing. Looking ahead, we will continue to optimise our manufacturing footprint by realigning production lines closer to customers. This targeted approach will ensure greater flexibility and responsiveness, better positioning us as the supplier of choice in a rapidly evolving marketplace.



Capital-wise Progress

Intellectual Capital

We position innovation as the driving force behind our every endeavour – powering sustainable, intelligent, and high-performance solutions for the commercial vehicle space. Our strength lies in the collective ingenuity, deep technical acumen, and cross-disciplinary collaboration of our teams. This foundation allows us to engineer seamlessly integrated technologies that make fleets smarter, cleaner, and more responsive across every terrain. Working alongside our customers, we co-develop forward-leaning, end-to-end solutions that span the entire vehicle lifecycle. Through a culture that values inquisitiveness, continuous learning, and technical excellence, we continue to grow our intellectual capital and cement our leadership in shaping the contours of environmentally responsible transportation.



Material Issues Addressed

- Opportunities in Sustainable Materials for Automotive Applications

Linkage with Other Capitals



Financial



Manufactured



Human



Natural

Stakeholders Impacted

- Investors and Shareholders
- Customers
- Employees
- Government and Regulatory Authorities

SDGs Impacted



Strategic Focus Areas

We are globally recognised as a leading technology partner, delivering advanced mobility products and systems for commercial vehicles. As a frontrunner in innovation, our initiatives stay focussed on reducing emissions, improving road safety, and protecting the climate through smart and sustainable mobility solutions.

Our approach to the Indian market is tailored and strategic. We develop new products in close alignment with OEMs' vehicle variant strategies and technology upgrade plans, while also addressing specific business objectives. Customising global technologies to meet local challenges is essential to drive the

synergy among performance, cost-effectiveness, regulatory compliance, and market fit, giving us a distinctive edge to dominate the rapidly transforming landscape.

Our product strategy is driven by key value drivers such as durability, reliability, fuel efficiency, and ease of maintenance – each of which is critical for commercial vehicle operators in India. Moreover, our robust localisation efforts and adherence to domestic regulations strengthen our competitive positioning. Complementing our technology and product development efforts is a well-defined launch and marketing strategy that highlights unique product benefits and creates strategic advantages. This integrated approach drives adoption, deepens

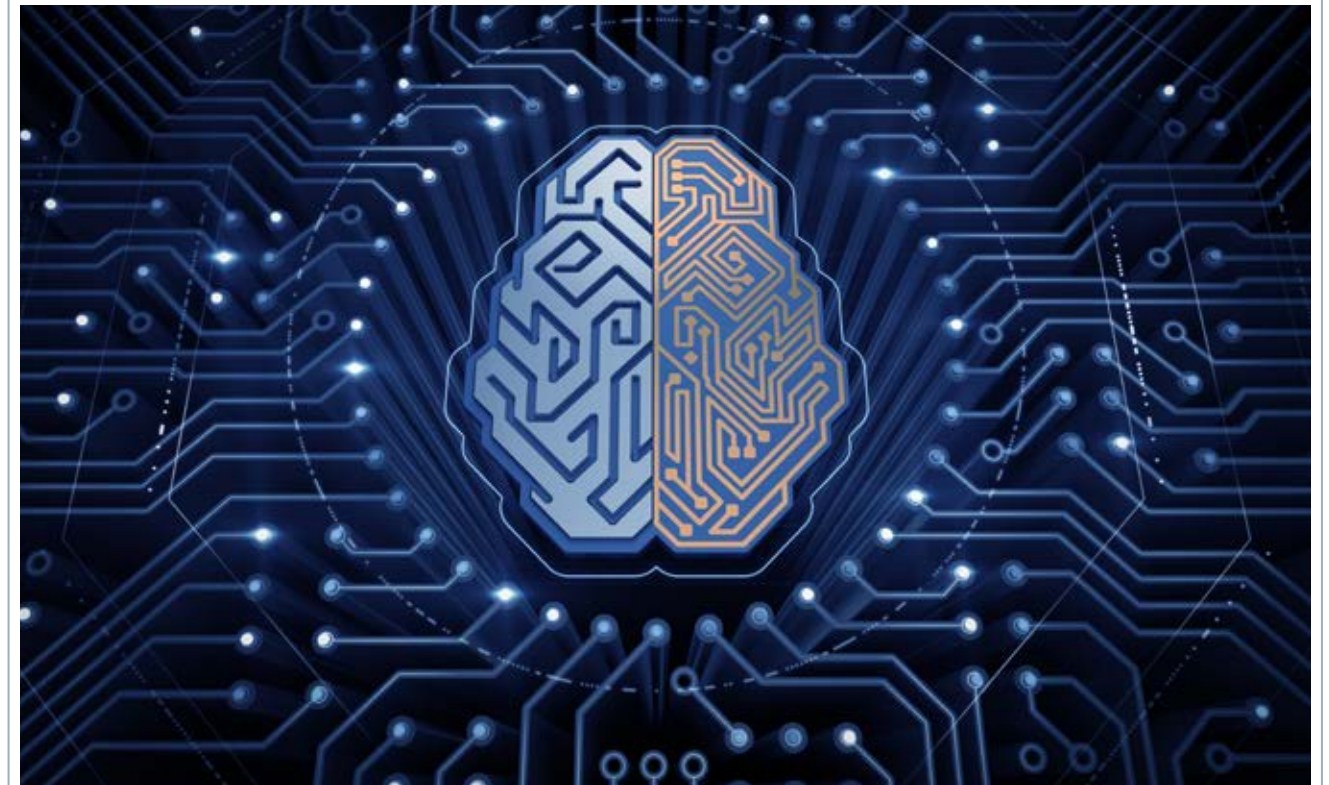
partnerships, and cements our leadership in the dynamic Indian automotive landscape.

During the year under review, we enhanced our R&D infrastructure with the commissioning of the ESC Test Track, Electronics Lab, Centre of Excellence for Global Compressor Testing, and Anechoic Chamber—strengthening our testing and innovation capabilities.

We also deepened industry institution collaboration through the MiNT consortium with IIT Madras, focussed on intelligent transport, and co-developed a solar-powered e-shuttle with SRMIST to drive sustainable mobility solutions.

Frugal engineering expertise with an ability to redesign advanced technologies and mature products for price-sensitive markets

Skilled application engineers provide excellent customer connectivity and support for adapting and homologating new technologies



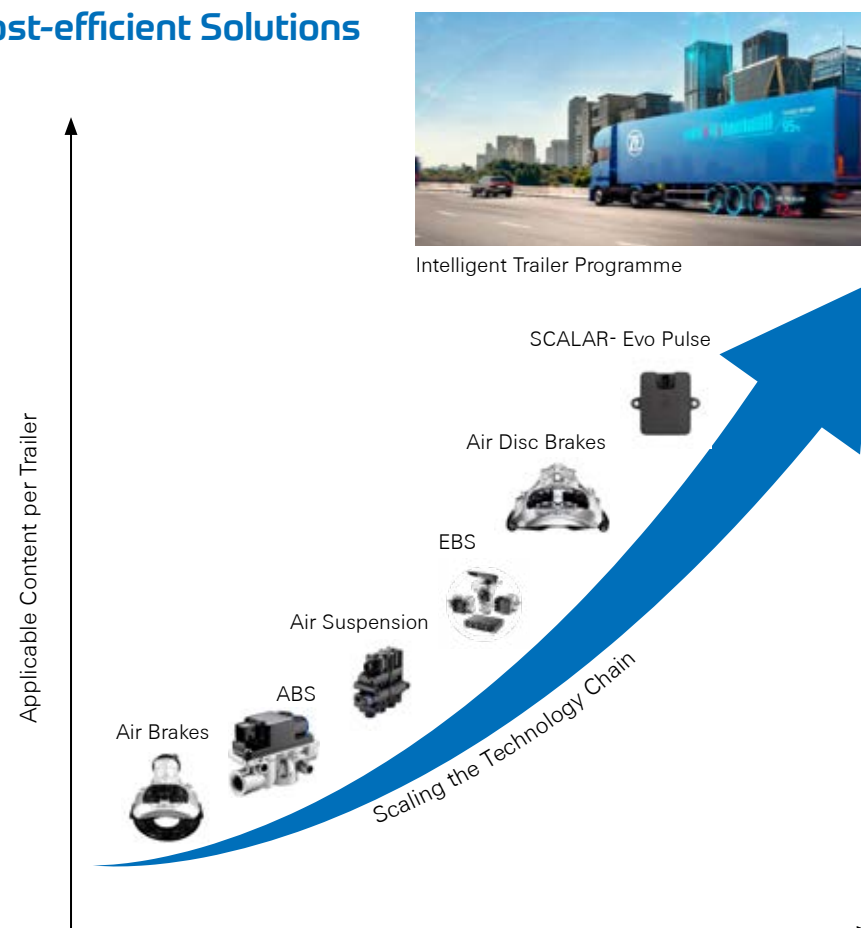
Driving Innovation with Cost-efficient Solutions

Expertise in Value-Driven Engineering

We bring deep capabilities in frugal engineering, facilitating the reconfiguration of top-tier global technologies into cost-effective, high-impact solutions tailored for price-sensitive markets. Our approach ensures innovation is accessible without compromising quality or performance.

Customer-centric Application Engineering

We align our skilled application engineering teams with OEMs, offering end-to-end support for integrating and localising new technologies. From concept adaptation to homologation, we ensure seamless implementation and strong customer collaboration throughout the product lifecycle.



Empowering Indian OEMs through Smart Localisation

We believe that adapting global technologies to the Indian automotive landscape requires more than just transfer – it demands strategic transformation. By customising advanced solutions to meet the unique requirements of Indian OEMs, companies can deliver more relevant, efficient, and market-ready offerings.

Localisation starts with a deep understanding of OEMs' vehicle platforms, including their technical capabilities, performance goals, and integration needs. Application software is fine-tuned to match specific operational environments, cost targets, and compliance mandates. This ensures smooth compatibility with Indian road conditions, regulatory standards, and end-user expectations.

Establishing local manufacturing capabilities and building strong alliances with domestic suppliers further augment speed, flexibility, and cost-effectiveness. This approach accelerates time to market and strengthens long-term collaboration with Indian OEMs. By reshaping global innovation to fit local needs, we are creating agile, sustainable, and future-focussed mobility solutions for India.

To enhance product adoption and maintain cost competitiveness, it is important to embed cost optimisation into the design process from the start. By applying design-to-cost principles, companies can streamline product design, optimise material usage, and refine manufacturing mechanisms to reduce production costs without

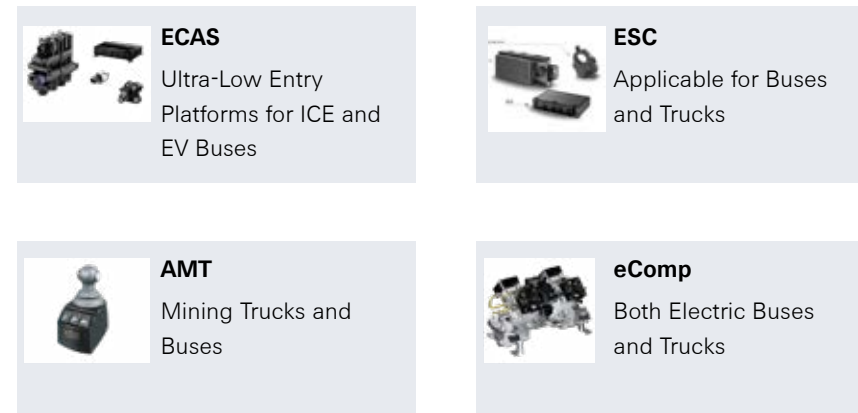
affecting quality or performance. By closely examining each stage of the product lifecycle, including design, development, production, and distribution, companies can identify valuable opportunities for cost savings and efficiency improvements. This approach supports both affordability and long-term value creation across the supply chain.

A Trusted Innovation Partner for Indian OEMs

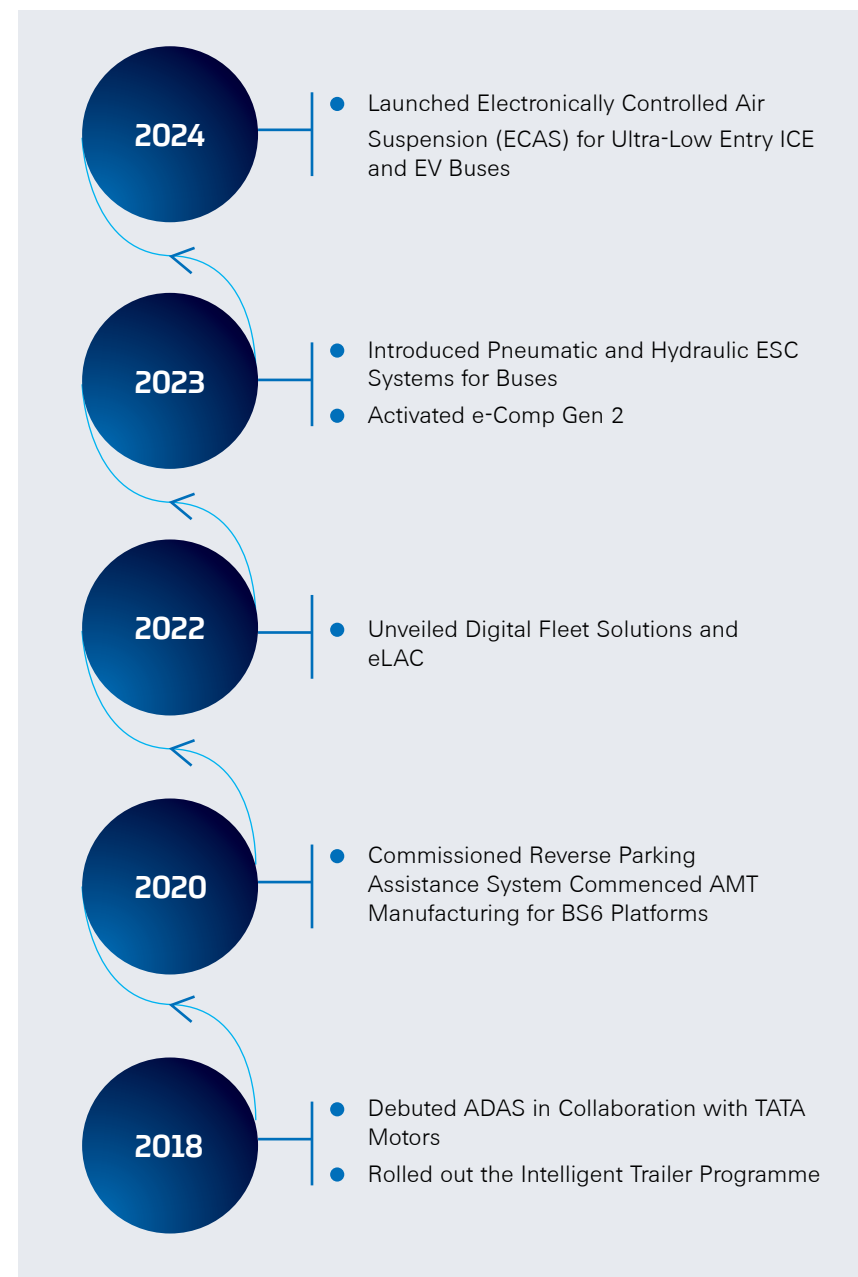
We are a pioneer in bringing advanced, localised technology to the Indian CV market. With a strong commitment to innovation, safety, and sustainability, we support OEMs with bespoke solutions that address the specific needs of Indian road and regulatory environments. Our key contributions include:

- Leading as the first company to introduce sophisticated, tailored technologies for India's CV segment, including Anti-lock Braking Systems (ABS), Automated Manual Transmission (AMT), Electronic Stability Control (ESC), Advanced Driver Assistance System (ADAS), Electronic Controlled Air Suspension (ECAS), and the Intelligent Trailer Programme
- Driving trailer safety and operational efficiency through innovative solutions
- Emerging as a reliable development partner with deep local market understanding
- Partnering with OEMs via a robust local supply chain and a nationwide service network
- Positioning as a gateway for Indian OEMs to access global markets and expand their export footprint
- Offering proven, legislation-ready technologies to meet evolving regulatory demands

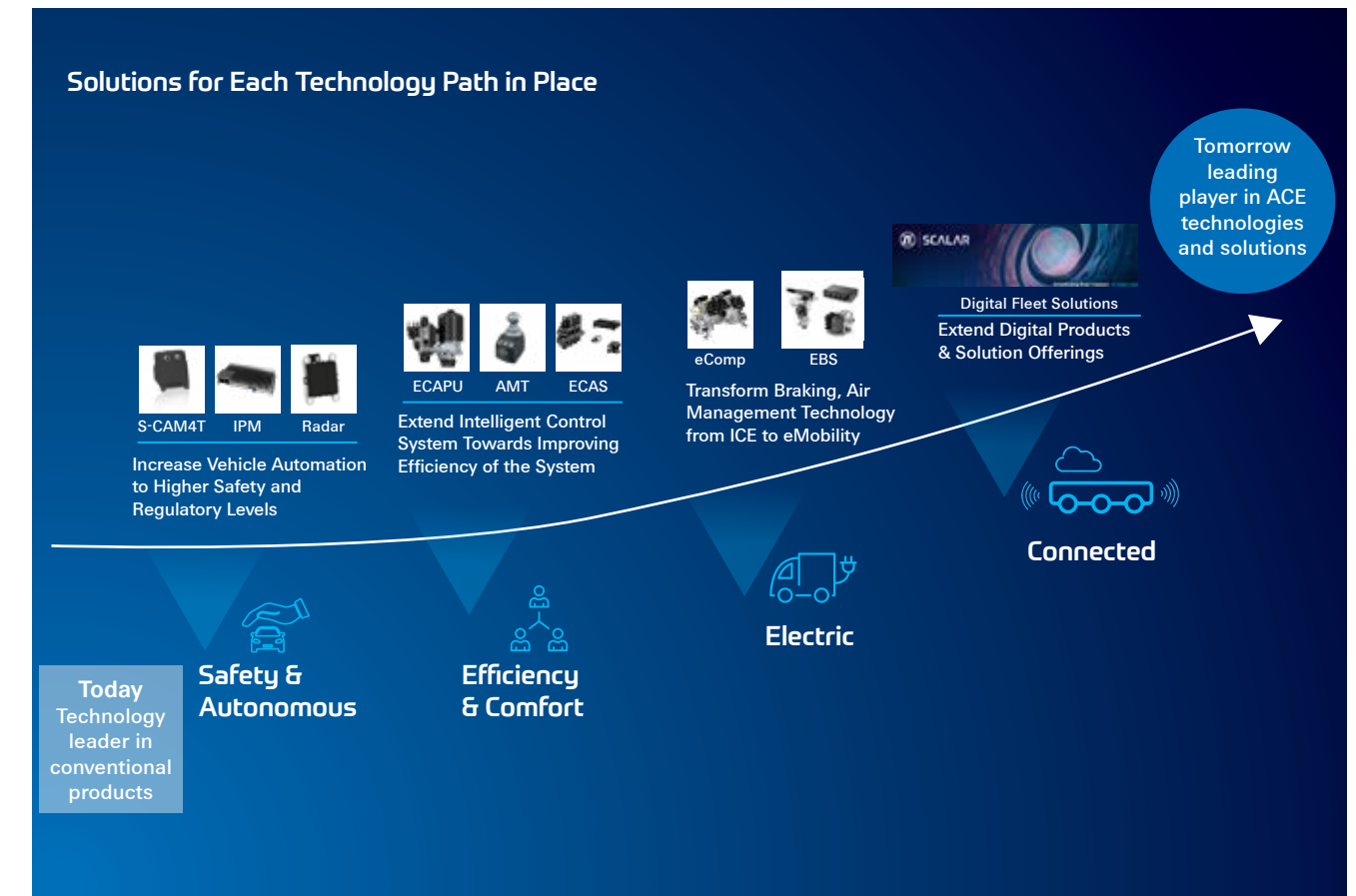
Platform Expertise



Product Milestones



Leading the Path to ACE



We provide OEMs with world-class technical support across the entire product lifecycle, from concept to certification. Our cutting-edge testing infrastructure and deep regulatory expertise accelerate vehicle development and uphold the highest standards of safety and performance.

Our ESC Test Track, a purpose-built facility integrated into the existing proving ground, exemplifies this commitment. Equipped with a precision-engineered steering pad and certified by TÜV Rheinland and ARAI, the track supports comprehensive validation of Electronic Stability Control (ESC) systems across a wide range of vehicle categories. These include two-wheelers, passenger cars, LCVs, HCVs, and trailers. Complementing our ABS testing infrastructure, this track offers a controlled environment to simulate critical driving scenarios, enabling rigorous assessment of

vehicle stability, agility, and handling. Designed to fast-track the deployment of ESC solutions, this facility cements our role as a full-scope systems partner in the commercial vehicle space. It empowers us to bring safety innovations to market faster and supports our long-term vision of propelling road safety and sustainable mobility in India.

Our test track facility in Chennai further strengthens our capabilities and serves as a strategic hub for guiding OEMs through homologation and regulatory certification. It provides end-to-end assistance for navigating compliance pathways, including safety assessments, performance evaluations, and statutory checks mandated by authorities. This hands-on support ensures timely and successful homologation for both domestic and global markets.

Beyond validation, we bring engineering expertise that enables OEMs to conceptualise and develop next-generation products. Our team works closely with customers to align product designs with global trends and evolving customer needs. Our guidance spans the full development lifecycle and promotes informed design decisions grounded in market insight and system integration requirements. To safeguard innovation, we support patent filing strategies that secure intellectual property. This protects novel and non-obvious concepts from imitation and ensures their industrial applicability. Moreover, it strengthens the competitive edge of our partners and creates long-term value from original ideas.

Strategic Role of R&D in Driving Innovation and Market Leadership

1

Driving Innovation to Meet Market Demands

We place R&D at the centre of our innovation strategy. It enables us to anticipate emerging customer needs, analyse shifting market dynamics, and transform ideas into viable solutions, fuelling the creation of new products, services, and processes. Through a structured approach that includes feasibility studies, prototyping, and validation, R&D ensures we deliver competitive, relevant offerings that reflect evolving industry expectations.

2

Tailoring Global Technologies for Regional Markets

We harness our R&D capabilities to adapt globally engineered technologies and meet the specific needs of regional markets. This includes redesigning, calibrating, testing, and releasing products that align with local regulatory requirements and user preferences. By customising features and optimising performance for regional road, climate, and usage conditions, we deliver market-ready and compliant offerings.

3

Enhancing and Sustaining Existing Product Lines

We deeply embed R&D in our endeavour to manage the full lifecycle of our products. Through continuous improvement programmes such as Re-Design to Cost (Re-DtC) and Value Analysis/Value Engineering (VAVE), we refine product performance, cost efficiency, and quality. Process optimisation initiatives also help maintain high standards throughout production and support long-term competitiveness.

Protecting Innovation through Intellectual Property

4

We safeguard technological advancements through our R&D strategy. The team actively manages the innovation pipeline by filing invention disclosures and securing patents. This process protects the originality of our ideas, bolsters our market position, and facilitates future monetisation through licensing or commercialisation of proprietary technologies.



Value Delivered to OEMs

1

Regulatory Compliance for ESC (Electronic Stability Control)

Electronic Stability Control (ESC) systems play a critical role in helping Indian OEMs meet regulatory safety standards. By automatically applying brake force to individual wheels and adjusting engine power during sudden or unstable driving conditions, ESC improves vehicle control and stability. This ensures safer handling during dynamic manoeuvres and on slippery surfaces. ESC contributes to increased road safety by preventing skidding and rollover incidents, improving vehicle steerability, and maintaining directional control. The system's leading-edge closed-loop control features, better response time, and the ability to mitigate wheel slip, further boost its effectiveness. The deployment of ESC in over 21,000 ICE buses demonstrates its strong industry acceptance, while application engineering, testing, and regional adaptation support make it ideal for Indian conditions.

2

EBS (Electronic Braking System) for Electric Buses – Regeneration

The Electronic Braking System (EBS) with regenerative braking substantially amplifies energy efficiency and operational economics in electric buses. It captures kinetic energy during braking and converts it into electrical energy, which is then stored in the battery. This stored energy extends the vehicle's driving range and cuts down reliance on external charging, effectively reducing operating costs. In addition to improving range and efficiency, EBS contributes to better vehicle stability and control under varying road and weather conditions. Integrated with ESC, the system prevents vehicle instability, enhances regenerative braking performance, and supports brake blending features. These capabilities are now active in over 4,500 EV buses across OEMs, reflecting the scalability and safety potential of this breakthrough braking technology.

3

Vehicle Fuel Efficiency Enhancement – AMT (Automated Manual Transmission), ECAS (Electronically Controlled Air Suspension)

Fuel efficiency in modern commercial vehicles is significantly improved through the implementation of AMT and ECAS systems. AMT optimises gear shifts and engine RPM automatically, reducing fuel consumption, while ensuring smooth vehicle performance and driving comfort. ECAS complements this by dynamically adjusting the vehicle's suspension height and stiffness based on road conditions and payload. This minimises aerodynamic drag, improves ride quality, and supports ultra-low floor entry for greater passenger accessibility. The ECAS system includes intelligent kneeling functionality, anti-tilt support, customisable ride height, and even indirect passenger counting, thereby amplifying operational efficiency and safety. With over 1,000 buses already equipped with ECAS, its modularity, reduced air consumption, and reliability make it a critical enabler of sustainable and efficient mobility for both ICE and EV buses.



Technology Absorption for FY 2024-25

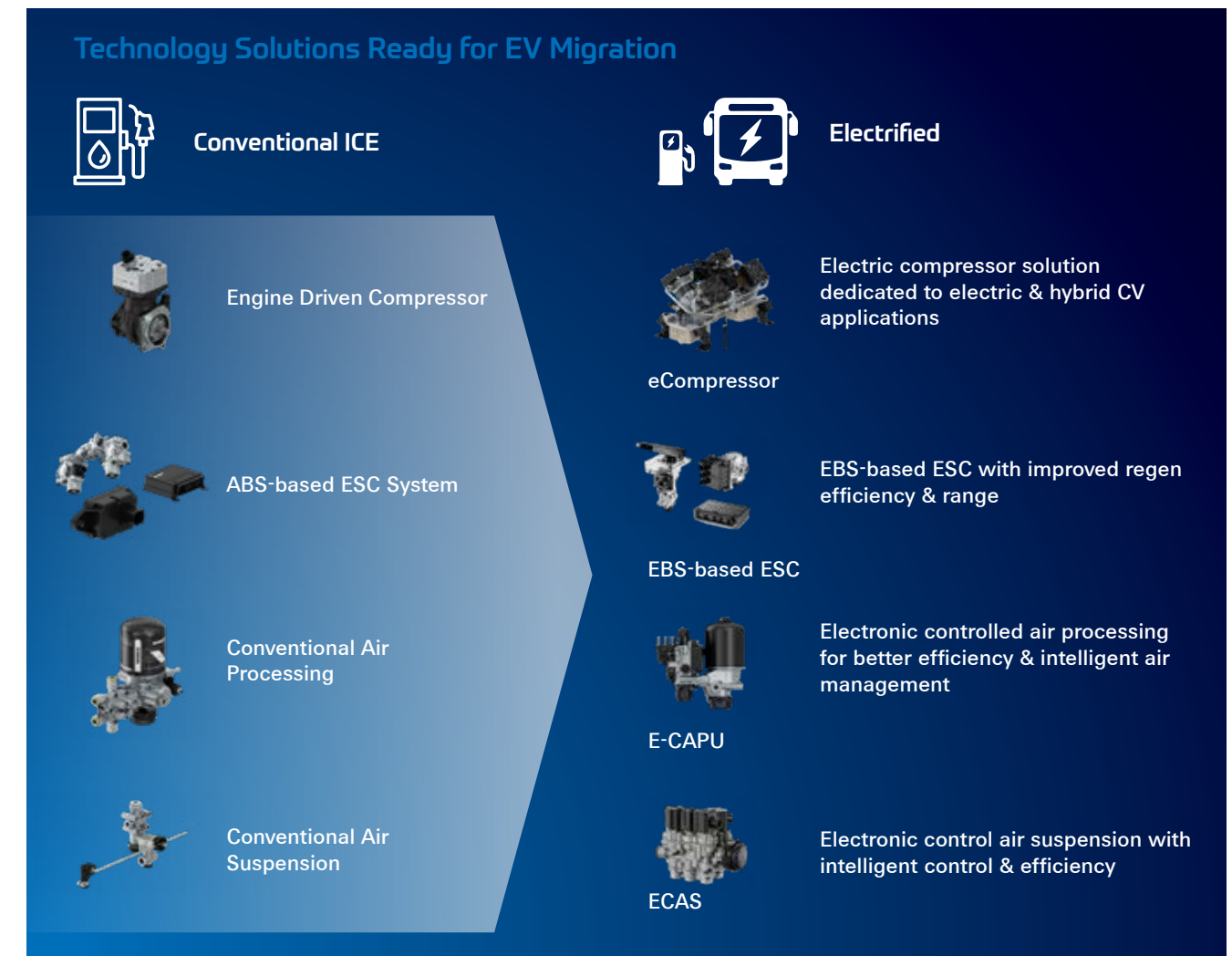
- Made significant upgrades in the Electronics and Electro-mechanics Testing Lab, including a hemi-anechoic chamber and a high-capacity compressor test facility; facilitated the validation and release of cutting-edge solutions in the Automated, Connected, and Electric (ACE) mobility domains
- Completed homologation for 55 customer vehicle models, covering a wide range of sophisticated braking systems; also included certification for five Advanced Driver Assistance System (ADAS) features
- Engineered top-of-the-line Air Disc Brakes (ADB) for both front and rear axles to meet the high-performance demands of electric buses and ADAS-enabled commercial trucks
- Introduced Hydraulic Electronic Stability Control (ESC) systems across multiple customer platforms, contributing to enhanced vehicle safety and regulatory compliance
- Launched a fully indigenised Air Processing Unit (APU) equipped with a replaceable cartridge, offering better maintainability and lower operating costs
- Accelerated localisation of critical systems, including Brake Signal Transmitter, Optidrive AMT, Trailer ABS, and Trailer Lift Axle Control Systems, supporting the Make-in-India initiative and improving cost efficiency
- Developed an Electronic Controlled Air Suspension (ECAS) system tailored for Indian market needs, augmenting ride quality and load management
- Achieved horizontal deployment of the second-generation electric compressor (eComp 2.0) across leading EV platforms, amping up performance in electric mobility
- Unveiled eco-friendly components such as G-Silica and sintered coupling solutions for vacuum pumps, cementing our focus on sustainable mobility

Key Benefits Achieved

- Amplified preparedness for both current and future regulatory standards, maintaining continued market access and legal compliance
- Strengthened cost competitiveness through increased localisation and reduced dependency on imports
- Delivered products with greater functionality, quality, customisation, and cost-efficiency
- Introduced cutting-edge safety features, significantly improving vehicle control, stability, and occupant protection
- Expanded market presence through locally developed, feature-rich solutions aligned with Indian operating conditions
- Boosted durability and system efficiency, fortifying customer confidence and creating a sustainable competitive edge
- Promoted greener mobility solutions through energy-efficient designs and eco-conscious manufacturing practices
- Built in-house capability for developing top-tier test rigs and accessories, lowering validation timelines and operational costs
- Elevated overall driving experience through technologies that optimise ride quality, handling, and load adaptability
- Unlocked new revenue streams and customer segments by delivering high-performance, locally developed products

Role of R&D in Promoting Electric Vehicle Technologies

R&D serves as a driving force behind the innovation, validation, and homologation of next-generation Electronic Braking Systems (EBS) for electric vehicles. By reengineering conventional braking platforms to seamlessly integrate regenerative braking, R&D teams ensure these systems align with the dynamic performance needs of EVs. The focus remains on functionality as well as on meeting rigorous safety benchmarks and regulatory standards, accelerating certification and delivering faster go-to-market timelines.



Advanced Driver Assistance Systems (ADAS)

ADAS is redefining vehicle safety and operational intelligence in commercial mobility. These systems integrate front-looking cameras, radar sensors, and data fusion technologies to deliver critical features such as Lane Departure Warning, Emergency Braking, and Blind Spot Detection. First introduced in collaboration with TATA Motors in 2018, the technology achieved a successful market launch in 2022. Looking ahead, ADAS continues to gain momentum as India propels towards more stringent safety regulations.

The ADAS portfolio is designed as a comprehensive, ready-to-deploy solution that includes MOIS, Intelligent

Speed Assistance (ISA), DDAW, BSIS, Reversing Information System (REIS), and Tire Pressure Monitoring System (TPMS) (TPMS), ensuring full compliance with upcoming safety standards. These solutions are applicable across a wide range of vehicle categories, including trucks, buses, and coaches. Developed with a 3C architecture – SEE, THINK, ACT – the system delivers robust sensing, intelligent processing, and precise vehicle control. Active engagements with key OEMs are already underway to ensure a seamless rollout.

SCALAR: Digital Fleet Orchestration Solution



Customised Technologies for Light Commercial Vehicles

India R&D is playing a stellar role in driving innovation in light commercial vehicle platforms and delivering specialised braking solutions that elevate both safety and performance. These include high-efficiency vacuum brake components and robust hydraulic braking systems designed to perform reliably across varied driving conditions. By seamlessly integrating sophisticated Hydraulic ABS, we are further enhancing vehicle control by preventing wheel lock-up during sudden braking, offering a safety edge tailored specifically to the operational demands of light commercial vehicles.

Advanced Components for Passenger Cars

India R&D designs high-precision components for passenger vehicles, adding more depth to both safety and driving comfort. Key offerings include next-generation vacuum pumps and intelligent air supply units for air suspension systems. Vacuum pumps are deployed to maintain consistent braking performance and support critical onboard functions by ensuring optimal vacuum pressure. On the other hand, air supply units play a key role in refining ride quality and improving handling by dynamically adjusting suspension pressure, resulting in superior ride comfort, stability, and a premium driving experience.

Driving Sustainability through Product Innovation

E-Compressor

The e-Compressor marks a breakthrough in sustainable vehicle technology, offering an energy-efficient alternative to conventional engine-driven compressors. By utilising electric power, it optimises vehicle performance and significantly lowers emissions and fuel use. This innovative solution boosts energy efficiency and accelerates the transition to cleaner mobility by actively reducing the vehicle's carbon footprint.

We continue to drive innovation with purpose, positioning R&D as a strategic imperative across our operation. By harnessing collective intelligence and domain expertise, we foster a culture of continuous learning and cross-functional collaboration. Through targeted development programmes and integration of next-generation technologies, we fast track product innovation and optimise capital efficiency. These concerted efforts empower us to stay ahead of the curve, deliver differentiated solutions, and create lasting value for our clients and stakeholders.



Awards

Internal Awards



ZF DNA of Quality Excellence Award

Customer Awards



Impactful Innovation from Ashok Leyland



Innovation & Technology Award from TATA Motors



Best Quick Development Partner from OLECTRA

Our Sustainability Strategy

Embedding Responsibility, Driving Enduring Value



Sustainability – The ZF Way



Acting for Climate and Nature

Climate Action

Reducing emissions across the value chain and scaling the adoption of renewable energy sources



Sustainable and Circular Products and Operations

Promoting circularity by increasing the use of recycled materials and accelerating the electrification of our product portfolio



Acting for All People

Employee Development and Diversity

Fostering a culture of diversity, equity, and inclusion by actively investing in employee growth and development



Keeping People Safe

Ensuring the highest standards of health and safety, and prioritising the holistic well-being of the ZF community



Human Rights and Working Conditions

Upholding human rights and ensuring fair working conditions, equal treatment, and just compensation across the value chain



Acting for Lasting Values

Responsible Business Conduct

Encouraging transparent, ethical business practices and cultivating partnerships rooted in accountability



Long-term Value Creation and Resilience

Embedding sustainability into long-term value creation through efficient systems and continuous improvement



Capital-wise Progress

Natural Capital

We recognise the environment as a fundamental enabler of long-term business continuity. Natural capital, encompassing energy, water, raw materials, and the ecosystems that support them, plays a critical role in our operations and value chain. Our commitment lies in minimising environmental impact while advancing responsible practices across all levels of the organisation.

Our approach focuses on optimising resource efficiency, reducing emissions, adopting circular practices, and promoting sustainable manufacturing. Through a combination of technological upgrades, process improvements, and behavioural interventions, we continue to lower our ecological footprint. Compliance with environmental regulations is a baseline; our broader ambition is to embed sustainability into core business strategy and drive measurable impact through innovation and accountability.



Republic Day Painting Competition on Sustainability
by M Dhakshin, UKG, son of C Muthuram.

Material Issues Addressed

- Energy Management
- Water Stewardship
- Emissions Management
- Waste Management

Linkage with Other Capitals



Financial

Social &
Relationship

Intellectual



Manufactured

Stakeholders Impacted

- Community
- Customers
- Investors/Shareholders

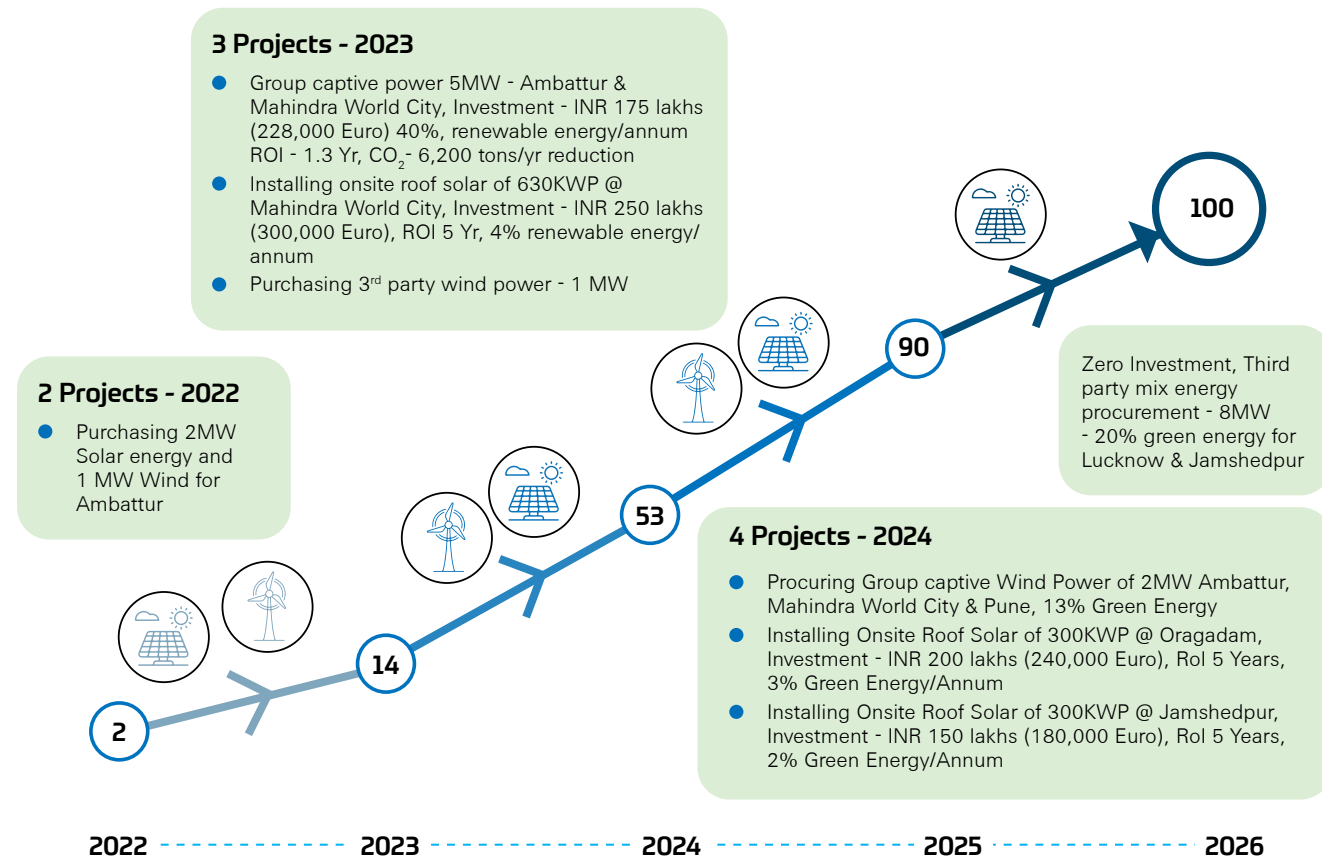
SDGs Impacted



Energy

Energy efficiency remains a core priority in our environmental stewardship efforts. We continue to optimise energy consumption across operations by adopting energy-efficient technologies, enhancing process controls, and driving behavioural change on the shop floor. A significant portion of our focus is directed towards transitioning to cleaner energy sources, including the integration of renewable energy into our power mix. These initiatives not only support cost-efficiency and regulatory compliance but also contribute to reducing our overall carbon footprint. Ongoing monitoring, audits, and data-driven interventions ensure sustained performance and continuous improvement in our energy use.

Targeting 100% Green Electricity by FY 2025-26



Breakdown of Energy Management during FY 2024-25

Parameter	Units	FY 2024-25
Electricity Generated	GJ	4,460
Imported Electricity Consumption	GJ	1,12,925
Electricity Exported	GJ	0



Our Renewable Energy Initiatives

With a clear focus on sustainability and to strengthen our clean energy transition, we are expanding our use of renewable energy across operations. These efforts are supporting a greater share of renewable energy in our overall energy mix. Our initiatives for the year include:

- Installed a 500 KWp rooftop solar system at the Jamshedpur site in FY 2024-25, meeting 25% of the plant's energy needs through renewables. The system is designed to generate approximately 670 MWh annually and reduce 484 tonnes of CO₂e.
- Commissioned a 60 KWp rooftop solar system at the Pantnagar site, contributing 40% to the plant's renewable energy mix. It is expected to generate around 88 MWh annually and reduce 63 tonnes of CO₂e.
- Signed a 25-year captive power agreement with Enerpac Energy Private Limited for a 5 MW solar project, securing a consistent supply of 7.5 million units annually.
- Commissioned a 636 KWp rooftop solar installation at the Mahindra World City plant in Chengalpattu, Tamil Nadu, in FY 2023-24. The system contributed 7% to the plant's total renewable energy generation and is projected to produce 800,000 units annually, with an investment of INR 2.5 crores.

81%

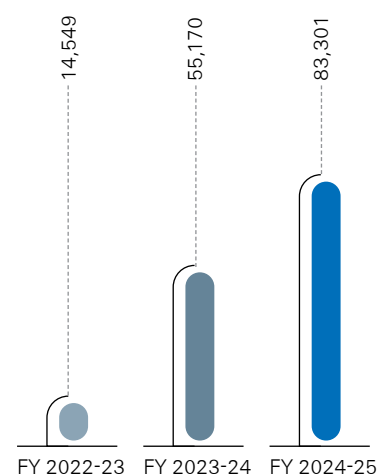
Renewable Energy Consumption at Ambattur

33%

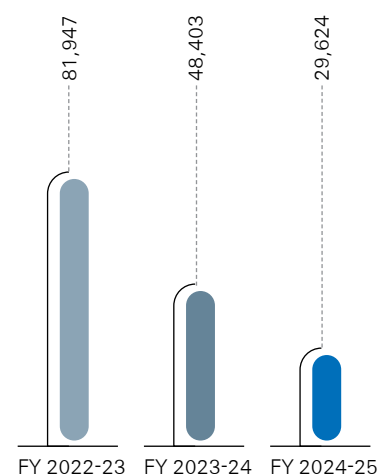
Renewable Energy Consumption at MWC

Total Electricity Consumption (GJ)

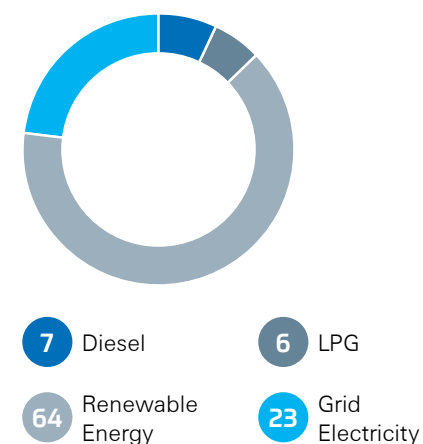
Renewable energy



Non-renewable energy



Energy Utilisation Mix – FY 2024-25 (%)



Our Energy Efficiency Initiatives

Our energy efficiency efforts reflect a strategic shift towards sustainable operations. Through targeted upgrades and smart technologies, we continue to lower our energy footprint year after year. Our initiatives include:

- Replaced electrical heaters with a heat pump for 10 washing machines at the Ambattur plant, resulting in annual energy savings of 96,000 units.
- Upgraded Assembly AHU-2 with an electronically commutated blower, saving 37,000 units of energy annually.
- Modified the AHU system at Mahindra World City to enhance efficiency and enable seasonal temperature control, achieving a 20% reduction in energy consumption—equivalent to 210,000 units per year.
- Installed energy-efficient coolant pumps across 32 machines, leading to annual savings of 200,000 units.
- Introduced idle time stop in 23 CNC and PLC-based machines at Mahindra World City, resulting in annual energy savings of 45,000 kWh.
- Reduced compressed air consumption by balancing low and high pressure and monitoring airflow, saving 246,000 units of energy annually.

consumption by balancing low and high pressure and monitoring airflow, saving 246,000 units of energy annually.

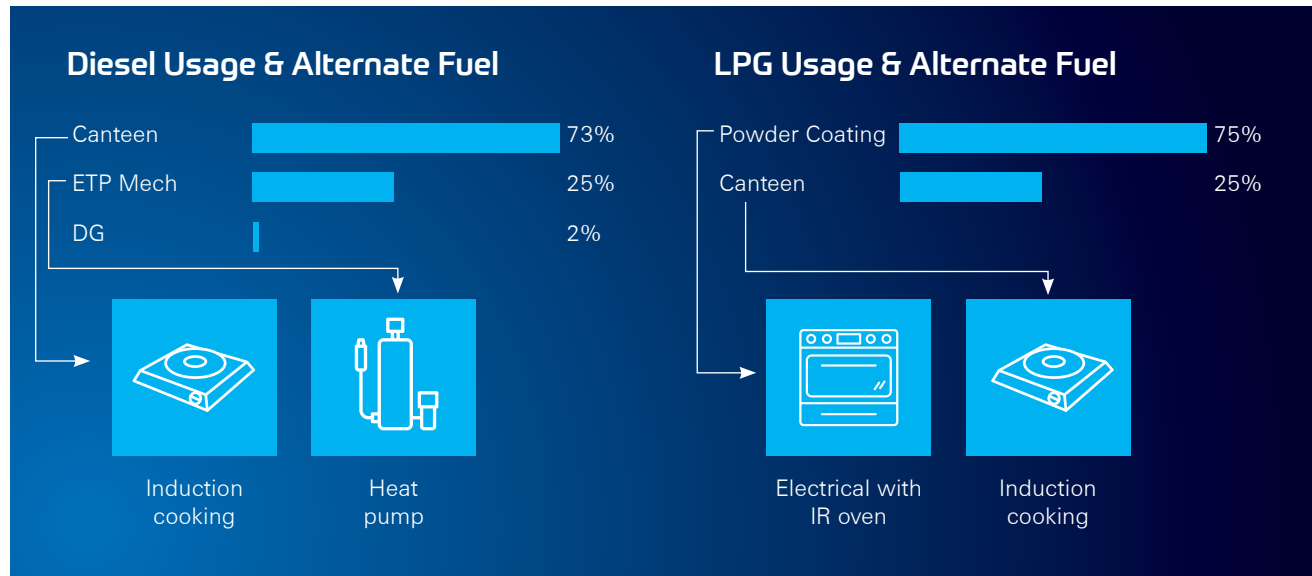
- Halved climatic chamber usage from 16 to 8 units by implementing a newly designed fixture for aftermarket actuator endurance testing, reducing energy consumption.

11.58 lakh Units

Of Energy Savings in FY 2024-25

INR 104.22 lakhs

Cost Savings Per Annum



The Ambattur plant secured 1st place and received the Platinum Award in the CII National Energy Efficiency Circle Competition, recognising its outstanding energy efficiency initiatives and project implementation.



Our Decarbonisation Strategy

As part of our commitment to climate action and responsible energy use, we laid out a focussed decarbonisation roadmap that targets substantial emission reductions across Scope 1 and Scope 2. These efforts are driven by a combination of clean technology adoption, process transformation, and infrastructure renewal, with clear milestones to track progress.

80% Scope 1 emission reduction by 2030, from baseline of FY 2019-20

80% Scope 2 emission reduction by 2030, from baseline of FY 2019-20

Scope 1 Emission Reduction – 80% by 2030

A structured roadmap is in place to phase out diesel and LPG, the primary non-renewable fuels used

across legacy plants. The decarbonisation strategy focusses on switching to electric alternatives, deploying innovative heating technologies, and upgrading existing

systems to reduce dependence on fossil fuels.

Transitioning from Diesel to Electric: Electrical Heat Pumps

We have introduced India's first electric heat pump capable of generating temperatures up to 1200°C, developed in partnership with IIT. This breakthrough technology is being piloted at the Ambattur plant's canteen, with early results indicating savings of 80 litres of diesel per day. Designed to convert energy into steam for industrial cooking and other applications, this solution marks a significant step towards cleaner thermal energy.

Green Building Programme at Oragadam

The Oragadam facility exemplifies our move towards low-carbon infrastructure. Diesel and LPG have been entirely excluded from kitchen operations, and the site is designed to phase out diesel generator usage over time. Built to meet US Green Building Standards, the facility is targeting LEED Gold certification—demonstrating high standards in energy efficiency and environmental performance. This initiative reflects a holistic approach to sustainable manufacturing and sets a benchmark within the industry.

Next Steps in Scope 1 Decarbonisation

To support the complete phase-out of diesel and LPG, we are replacing outdated equipment with efficient alternatives such as induction cooking, electric steam generators powered by renewables, infrared ovens, and heat pumps. It is also actively evaluating battery storage systems and exploring low-carbon fuels such as biodiesel for backup power needs.



Heat Pump, Oragadam Plant

Scope 2 Emission Reduction – Towards Zero by 2026

We made significant strides in reducing Scope 2 emissions by scaling up the use of renewable energy and improving energy efficiency across plants. During the year, 50% of Scope 2 emissions were eliminated by switching to sustainably sourced power.

Next Steps in Scope 2 Decarbonisation

The roadmap to achieve 100% renewable energy consumption by 2026 is well underway. This transition is supported by improvements in process efficiency, electrification of key operations, and the strategic integration of renewable energy into day-to-day production. Together, these measures are designed to bring Scope 2 emissions down to zero, reinforcing our long-term climate commitment.

Mapping Our Emissions

Accurate emissions mapping forms the foundation of our carbon management approach. By tracking Scope 1, 2, and 3 emissions, we are enabling data-driven decisions toward a net-zero future.

Digitalisation of Carbon Monitoring – Scope 1, 2 and 3 Emissions

- Developed an in-house digital application integrated with SAP to monitor and manage Scope 1 and Scope 2 greenhouse gas (GHG) emissions, enabling automated and accurate tracking across operations.
- Scope 1 (Direct Emissions): Tracked from fossil fuel combustion, including High-Speed Diesel (HSD) and LPG usage, primarily for canteen operations and special processes at the Mahindra World City plant.

Carbon Tracking (Scope 1)

179.55 K	459.65	106.82 K	313.95	773.60
Diesel (in Litres)	Diesel (in CO ₂ tonnes)	LPG (in Kgs)	LPG (in CO ₂ tonnes)	Scope 1 (in CO ₂ tonnes)



- Scope 2 (Indirect Emissions): Arising from purchased electricity; emissions are mitigated through active procurement of renewable energy to support long-term decarbonisation targets.
- Scope 3 (Value Chain Emissions): Identified and currently assessing emissions from relevant categories, such as:
 - Purchased goods and services
 - Business travel
 - Fuel- and energy-related activities
 - Upstream and downstream transportation and distribution
 - Waste generated in operations

Initiatives Undertaken to Reduce Our Emissions

Along with mapping we have also undertaken a few initiatives towards cleaner energy sources. Each initiative reflects our commitment to responsible energy use and long-term decarbonisation. These efforts not only help us lower our carbon footprint but also support our journey towards achieving net-zero emissions and aligning with global sustainability goals.

- Replaced high-speed diesel-based steam generation with an electrical induction vessel in the Ambattur canteen, eliminating 66,000 litres of diesel annually and avoiding 151 tonnes of CO₂e emissions.
- Transitioned the Jamshedpur kitchen from LPG-based cooking to electrical induction, resulting in the elimination of 10 tonnes of LPG per year and a reduction of 29 tonnes of CO₂e emissions.

Total Emissions in FY 2024-25

	(tCO ₂ e)
Emissions	FY 2024-25
Scope 1	1,763
Scope 2	5,891
Scope 3	1,23,475

	(mg/NM ³)
Emissions	FY 2024-25
NOx	0.74
SOx	BDL
PM	0.013

Water Conservation

Responsible water stewardship is an integral part of our environmental commitment. Across all plants, we have taken proactive steps to conserve water, raise awareness, and ensure efficient usage through employee engagement and infrastructure upgrades. All manufacturing facilities operate under a Zero Liquid Discharge (ZLD) framework, ensuring that no wastewater is released beyond plant boundaries. This is supported by a strong focus on the 3R approach, Reduce, Reuse, and Recycle, embedded into our water management practices.

We have implemented wastewater treatment systems at all three sites

where wastewater is generated. Treated water is directed to an Effluent Treatment Plant (ETP) for further purification and reuse. Any water that does not meet the required reclaimed water standards is safely evaporated. Additionally, domestic wastewater from office premises is treated and reused for gardening and toilet flushing.

Integrated Wastewater Treatment and Reuse

- Domestic wastewater is treated and reused for non-potable purposes.
- Process wastewater undergoes dual stage reverse osmosis (RO) treatment, with the treated water recycled back into production processes.

Site-Specific Initiatives and Outcomes

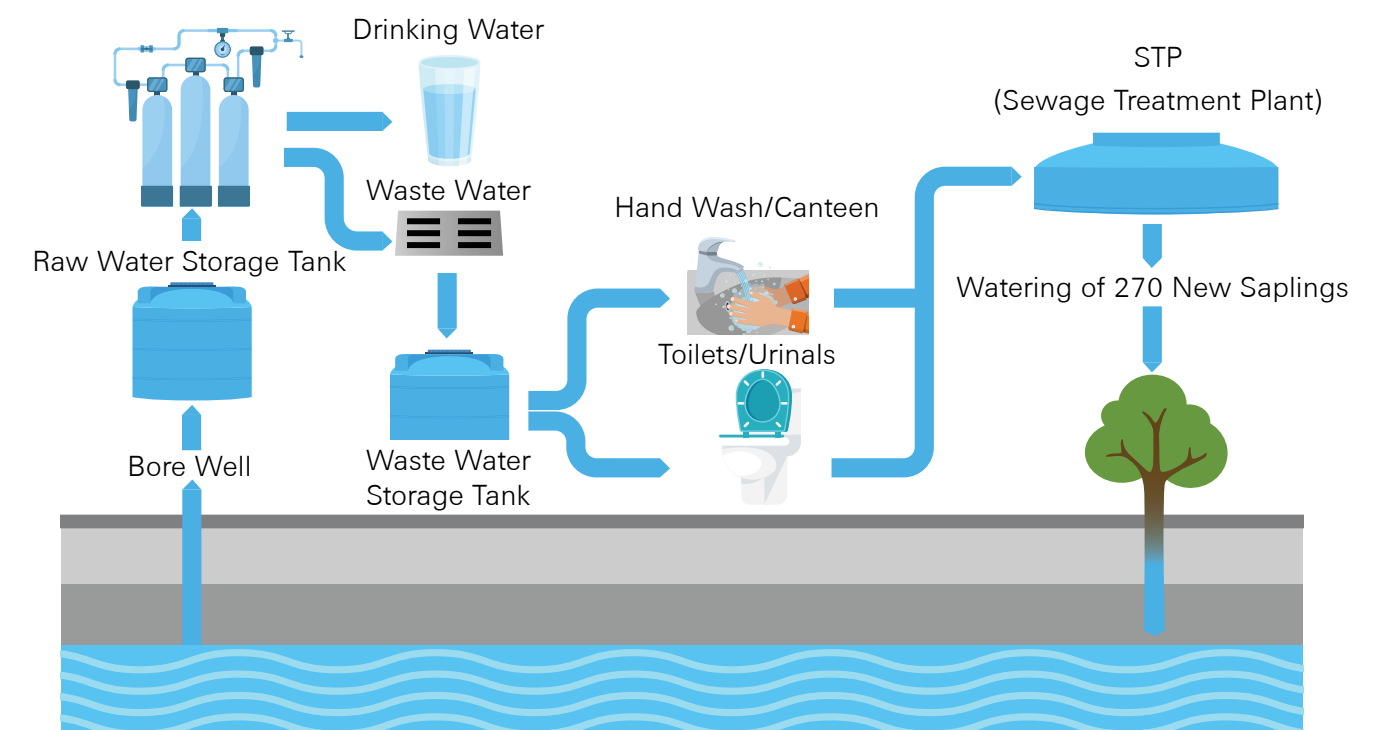
Mahindra World City Plant

Successfully recycled process wastewater using RO systems, and repurposed treated water for domestic use, resulting in annual water savings of 1,560 kilolitres.

Ambattur Plant (Special Process Area)

Optimised chemical usage through advanced analysis, which led to a reduction of 450 kilolitres of wastewater annually.

Reverse Osmosis Plant



Waste Management

As part of our ongoing sustainability journey, all manufacturing sites have embraced the 5R approach, Refuse, Reduce, Reuse, Repurpose, and Recycle, to minimise waste generation and optimise resource utilisation. This framework is embedded into daily operations, encouraging teams to innovate and adopt efficient, environmentally conscious practices.

Mahindra World City Plant – Process Innovation in Powder Coating

At the Mahindra World City site, the team introduced a High/Low Flame Mode in the burner system of the powder coating process. This intelligent optimisation resulted in a 25% reduction in LPG consumption. The initiative was recognised with a Gold Award in the Sustainability category at the CII National Kaizen Competition, underscoring our commitment to continuous improvement and sustainable innovation.

Ambattur Plant – Chemical and Waste Reduction

At the Ambattur facility's special process area, targeted process optimisation and advanced analysis led to a reduction of 6.3 tonnes of hazardous waste annually. This outcome highlights the effectiveness of data-driven decision-making in advancing our environmental performance.

Our Circularity Initiatives

Reinforcing our commitment to sustainability, we have rolled out a series of initiatives designed to make environmental responsibility an integral part of our daily operations. These efforts focus on educating and engaging employees to address key environmental priorities including energy efficiency, water conservation, waste reduction, and circularity.

Building Awareness Through Workshops

Environmental workshops were conducted across various locations to strengthen awareness and encourage behavioural shifts in operational practices. These sessions empowered employees to actively contribute to our environmental goals.

Driving Action through Green Campaigns

Tree plantation drives at our Jamshedpur and Lucknow sites enhanced local green cover and supported carbon offsetting.

Webinar on Circularity

A company-wide webinar on circularity, led by an external expert, introduced key principles of the circular economy and shared actionable insights to integrate circular thinking into business processes.

Way Forward

As we accelerate our sustainability journey, our focus remains on implementing high-impact, measurable actions that enhance resource efficiency, reduce environmental impact, and build long-term operational resilience. With a strategic lens on climate action and circularity, we are strengthening our commitment through the following future-ready initiatives:

Enhancing Energy Efficiency	Scaling Up Renewable Energy	Promoting Sustainable Packaging	Enabling Green Mobility Across the Value Chain
- Target a 10% reduction in energy consumption compared to the previous year. - Drive continuous improvement initiatives across all operations to support this goal.	- Achieve a >90% renewable energy mix through wind and solar sources. - Expand the use of Group Captive Models via long-term PPAs and short-term contracts for sustainable energy sourcing.	- Minimise one-way packaging from suppliers by adopting reusable and returnable systems. - Extend returnable packaging solutions to customer shipments to reduce waste and lifecycle impact.	- Introduce Electric Vehicles (EVs) across upstream (supplier) and downstream (distribution) logistics. - Partner with logistics providers and suppliers to support EV deployment and charging infrastructure.



Capital-wise Progress

Human Capital

We grow stronger with every individual who brings their ambition, skill, and perspective to our journey. Our people are the greatest contributors – catalysing innovation, resilience, and lasting value. Keeping them in mind, we strive to foster a workplace where diverse talent thrives, where development is continuous, and where safety and well-being are non-negotiable. Our approach to human capital blends empathy with performance, exemplified through focussed hiring practices, sustained training and development, future-ready leadership grooming, inclusive participation, and ergonomic excellence. By investing in our workforce, we are investing in the future – a period defined by collective capability, mutual accountability, and shared purpose.



Material Issues Addressed

- Employee Health and Safety
- Labour Practices and Diversity and Inclusion
- Employee Engagement and Talent Development

Linkage with Other Capitals



Financial



Manufactured



Intellectual

Stakeholders Impacted

- Employees/Workers
- Customers
- Investors/Shareholders

SDGs Impacted



Our People

We draw our strength from our people. Their dedication, skill, and commitment shape the foundation of our operations and power our progress each day. Whether on the shop floor, in design and engineering, or across support functions, our teams bring passion and purpose to their work. Through precise and on-time actions, they ensure that quality, safety, and reliability are consistently upheld in every aspect of our business.

We strive to foster an environment that empowers every individual to express, excel, and empathise. Through continuous learning opportunities, collaborative interactions, and a holistic focus on well-being, we support our people in achieving both personal and professional growth. Their collective effort is what drives us forward, enables us to meet evolving demands, and deliver with confidence.

Team Strength

2,029
Employees

3,093
Workers
(including trainees)

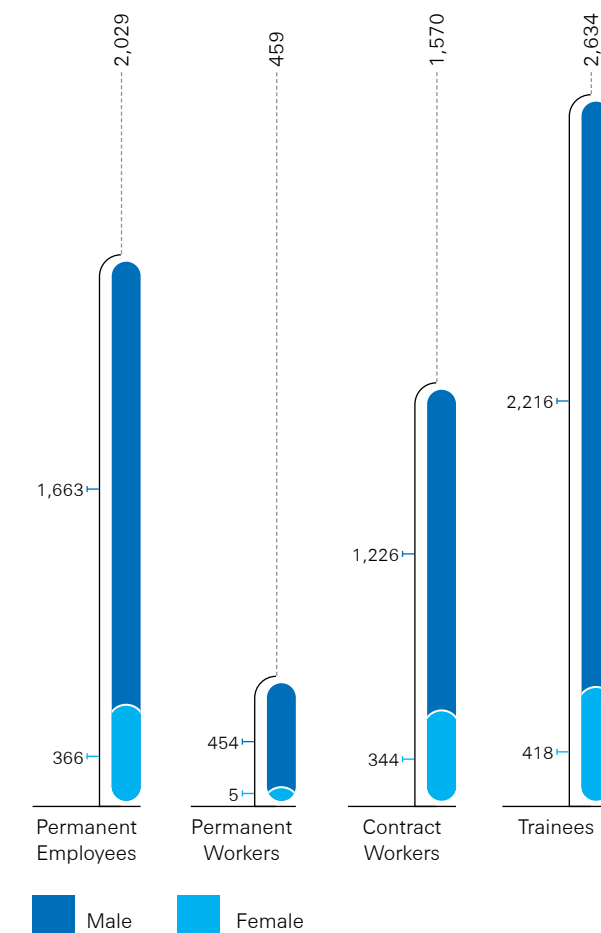


Diversity, Equity and Inclusion

We are committed to cultivate a diverse, equitable, and inclusive workplace across all our locations. Our Policy Statement on Respect for Human Rights clearly prohibits discrimination and harassment, upholding a safe, respectful, and supportive environment for all. To deliver on our commitment, we are making significant strides to promote gender diversity, human rights and inclusive hiring, as reflected in the composition of our workforce across plants. An inspiring example is our Oragadam plant that stands out with an 80% women workforce, showcasing our focus on enabling equitable participation in core manufacturing roles.

Furthering this vision, ZF Group's RediscoverHER initiative in India is designed to support women professionals returning to the workforce after a career break. The programme empowers them to re-enter the workplace with confidence and renewed vigour, highlighting our belief that talent should be recognised regardless of career gaps.

Workforce Diversity (Head Count) Categorisation by Contract for FY 2024-25



Attracting the Right Talent

We take a focussed and inclusive approach to hiring, aiming to bring in individuals who align with our values and ambitions. Each hire plays a role in shaping a stronger, future-ready organisation.

Internal Progression Programme (IPP) – #NextStep:

We designed this strategic initiative to identify and nurture internal talent. Our aim is to support employees in advancing their careers, that in turn, strengthens employee engagement, boosts retention, and builds a resilient leadership pipeline.

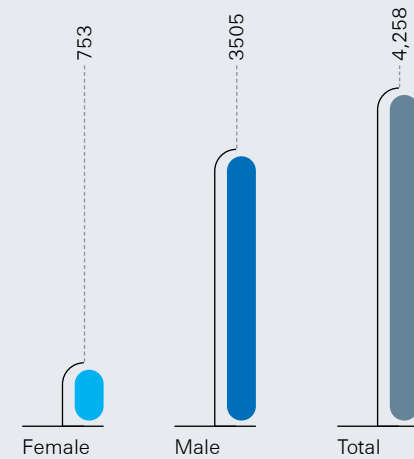
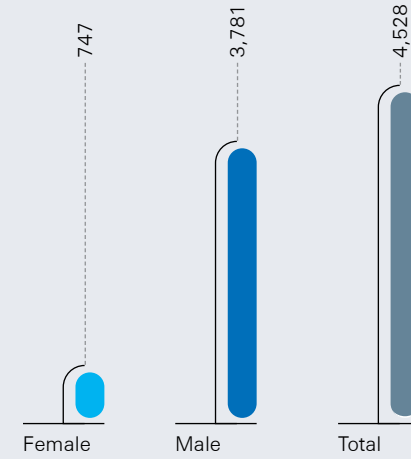
Employee Referral Programme – Greater Incentives:

We encourage team members to recommend top talent by leveraging employee networks. The revised CVS payout policy now disburses incentives after three months instead of six, focussing on accelerating hiring and ensuring quality through trusted referrals.

Weekend Recruitment Drives:

We conduct focussed hiring events on weekends for wider accessibility and outreach. These drives are designed to attract both diversity and non-diversity candidates, offering the dual benefits – flexibility for job seekers and efficiency for hiring teams.



Details of New Joiners**Attrition including trainees
(also VRS, Retirement, and Death)****Training and Development**

We pursue a focussed approach to talent development – a key enabler of our long-term success. We offer structured learning pathways and on-the-job exposure that help employees stay agile and effective in a dynamic environment. Our initiatives to this effect are listed below.

Digital Learning Platforms

We implemented digital learning environments that allow employees to access training modules on-demand, covering technical training, leadership development, and soft skills enhancement.

Internal Mobility Programmes

We motivate employees to transition into new roles within the Company through structured reskilling pathways, particularly in response to the shift towards electrification and autonomous driving technologies.

EHS Induction

We mandate all production employees to attend Environmental, Health, and Safety (EHS) induction on day one to create awareness of safe practices and equip employees to handle incidents effectively.

Human Rights Training

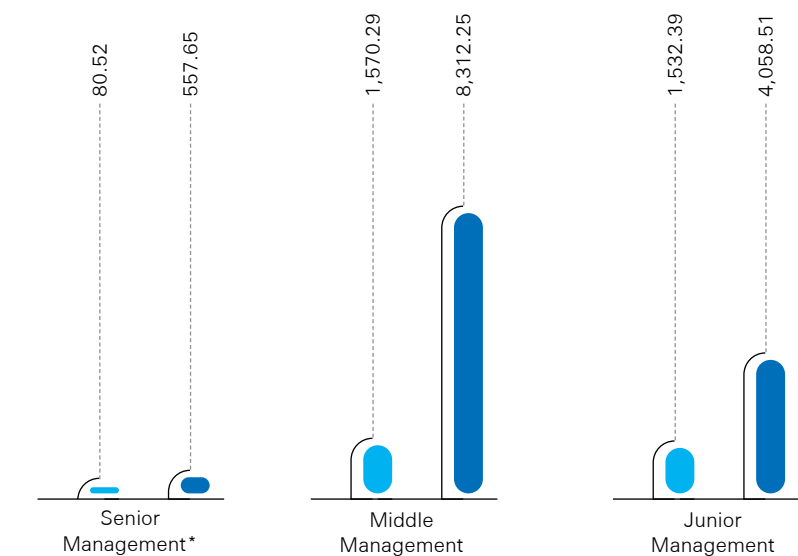
We inculcate preventive measures among employees and suppliers to raise awareness about human rights and ethical labour practices through targeted training programmes.

BBS Coaches Training

We train a group of Behaviour-Based Safety (BBS) coaches across sites for mentoring and overseeing employees, providing constructive feedback.

**16,111.61**

Total Training Hours in FY 2024-25

**Training Hours as per Employee Categories
(in Person-Hours) for FY 2024-25**

Senior Management - GM & Above categories
 Middle Management - Manager to DGM categories
 Junior Management - Deputy Manager and below categories (includes trainees)



Our Employee Engagement Initiatives

We regard employee engagement as a strategic priority. We emphasise Total Employee Involvement (TEI) as a crucial pillar for employee recognition and participation. Key focus areas identified from the survey findings shape our ongoing engagement efforts. Initiatives such as Quality Control Circles, Supervisory Improvement, and various cross-functional activities are conducted throughout the year to maintain high engagement levels. During the year under review, our employees represented us in multiple prominent external TEI competitions, hosted by ACMA, CII, and QCFI, exemplifying our commitment to meaningful engagement. In addition, a regional TEI convention was held in August 2024 to further promote employee participation. The global 'Hello ZF Team!' survey tracks the extent of employee connection across the operations, using a host of vital parameters, including brand, belonging, barriers, leadership, inclusivity, and empowerment. In doing so, the survey offers actionable insights to foster a more participative and motivated workforce.

Occupational Health and Safety

We uphold safety as a shared responsibility across our organisation. We ensure a secure work environment through regular audits, employee-led initiatives, and a strong focus on prevention and well-being. Continuous training and awareness programmes further strengthen our commitment to a zero-harm workplace.

On their first day, all production employees are mandated to attend an Environmental, Health, and Safety (EHS) induction, to ensure awareness of safe practices and effective incident handling.

This year, 'Be the STAR' (Safety Champion, Transformation agent,

Active & Fit, & Resources Conscious) is our EHS & Sustainability theme. It is aimed at propelling a behavioural transformation across the shop floor to adhere to EHS practices and systems. Under this initiative, 15 competitions were organised as part of the EHS campaign, with winners recognised in town hall meetings. On March 4th, National Safety Day was celebrated across sites, starting with a pledge, followed by several engaging activities.

Behaviour-based Safety (BBS) is a structured approach that focuses on identifying and reaffirming safe workplace behaviours, based on the understanding that many incidents

stem from unsafe actions. By observing, analysing, and addressing these behaviours, BBS helps minimise risks and promotes safer practices. Simultaneously, it drives active involvement across all levels of the organisation, spearheading a culture of accountability and shared responsibility for safety.

With a focus on amplifying workplace well-being, engineering controls were implemented to introduce ergonomic improvements across high- and medium-risk roles, particularly in compressor and actuator parts. These measures were designed to reduce fatigue, improve efficiency, and boost overall morale on the shop floor.

81%
Response Rate in the
Employee Engagement Survey

79
Average Engagement Index

Complementing these efforts, we systematically review all operations through the **Safety, Health, and Environment Failure Mode and Effects Analysis (SHE FMEA)** to identify potential high-risk activities. Our proactive approach leads to the formation of targeted mitigation measures, involving relevant stakeholders – further strengthening our foundation for workplace safety and risk management.

ISO 45001
Certified

40+
Awareness Sessions
Conducted across Sites

4,124
Employees Benefited

4
Lost Time Injuries (LTI)

0.64
Lost Time Injury Frequency Rate
(LTIFR) (Number per 1,000,000
Working Hours)

0
Recordable Work-related
Injuries

0
Total Recordable Incident Rate
(TRIR) (Number per 200,000
Working Hours)

0
Cases of Work-related Illness

92,11,069 Hours
The Person-Hours Worked

57
Person-Days Lost due to Injuries

Operator Fatigue Reduction with Global Standards

Ergo assessment of all jobs

Ergonomics Assessment- BRIEF & BEST survey for all job stations

AI-advanced assessment

- Risk assessment with Motion Capture technology
- Using Artificial intelligence - advanced assessment results

Results

**Ergo
Improvements
YOY**

Ergo Improvements at Workplace

- Ergo trolley for input parts no need to bend
- Automated guided vehicle
- Karakuri kaizen for part transfer
- Zero balancer for parts lifting



Risk Management

We look at effective risk management as an integral component of our Occupational Health and Safety approach. We systematically identify, assess, and mitigate potential hazards through regular safety audits, risk assessments, and compliance reviews. By incorporating sophisticated technologies into this

framework, we augment accuracy, responsiveness, and oversight. These efforts are further fortified through Behaviour-Based Safety practices and well-defined escalation protocols, helping minimise incidents and inculcate a robust safety culture across all operations.

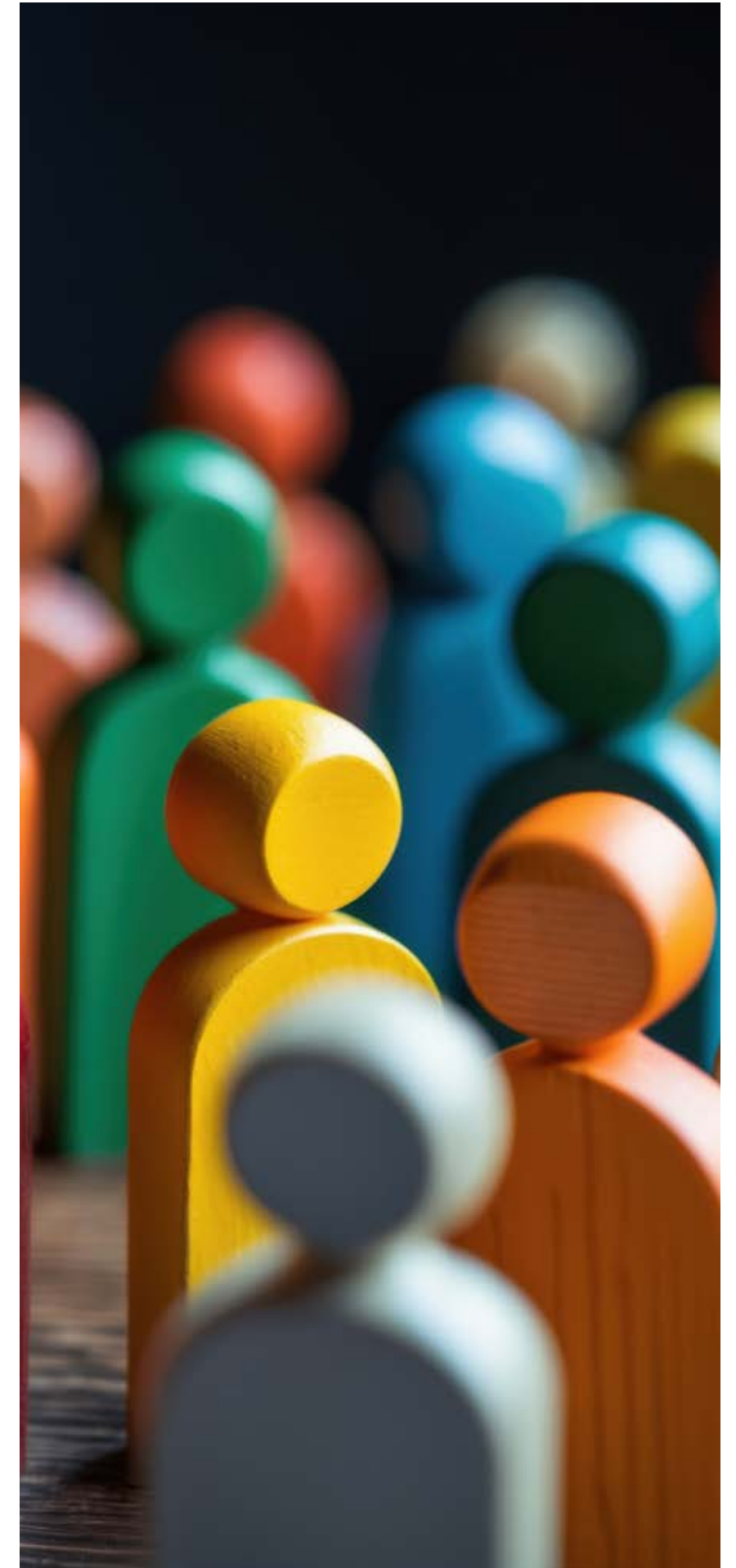


Upholding Human Rights across Our Value Chain

We are committed to respecting and protecting human rights across all aspects of our operations and value chain. We align with benchmark international frameworks such as the UN Guiding Principles on Business and Human Rights, the ILO Core Labour Standards, and the OECD Guidelines for Multinational Enterprises. In step with these globally recognised guidelines, we adopted a comprehensive Policy Statement on Respect for Human Rights.

To ensure effective implementation, we appointed a dedicated Human Rights Officer in 2023 to oversee the strategy and monitor progress across the organisation. In addition, we maintain a sound stance on responsible sourcing through our Business Partner Principles, which require suppliers to adhere to the same human rights and labour standards upheld internally.

Transparency and accountability are central to our approach. To further bolster our alignment with these principles, we regularly update our policies and practices to reflect evolving global standards and stakeholder expectations. Moreover, we implemented the ZF Trust Line – a whistleblowing mechanism available to both employees and external stakeholders. This mode of communication allows anonymous reporting of human rights violations, free from the fear of retaliation.



Capital-wise Progress

Social & Relationship Capital

We are driven by the belief that businesses thrive when the ecosystem around them prospers. Our commitment to social impact is a conscious extension of how we innovate, engage, and grow. Our employees lead with empathy, our customers resonate with shared values, and our communities remain at the core of our purpose, with each stakeholder playing a vital role in driving inclusive and meaningful change. Over the past year, we enhanced our engagement across diverse regions, promoting critical priorities. It included fostering road safety, supporting underserved communities, expanding access to education, building livelihood resilience, and advancing environmental stewardship. These efforts are the reflection of our commitment to shape a more equitable, resilient, and collectively prosperous future.



Material Issues Addressed

- Community Relations

Linkage with Other Capitals



Financial



Manufactured



Human



Natural

Stakeholders Impacted

- Communities

SDGs Impacted



We view social responsibility as an essential part of how we operate across every touchpoint of our ecosystem. Through customer-focussed initiatives and community development programmes, we aim to create value that goes beyond transactions. By working with partners, vendors, investors, and customers, we adopt a broader, more collaborative approach to

deliver social impact. These collective efforts strengthen our stakeholder relationships and enable us to contribute meaningfully to the well-being and progress of the communities around us.

Each of our CSR initiatives is closely monitored to understand its social reach and the difference it makes on the ground. We regularly engage with beneficiaries across focus

areas to assess outcomes and gather direct feedback. When a project demonstrates tangible impact and resonates with a broader community, we scale it across other locations in India, ensuring that proven interventions are replicated to maximise benefit and create lasting social value.

INR 795.03 lakhs

CSR Expenditure For
FY 2024-25



Road Safety

Safety is a shared responsibility, one that we promote within our operations and in the communities where we live and work. Our road safety initiatives focus on raising awareness and strengthening public infrastructure to reduce risks and improve traffic management. As part of these efforts, we supported the installation of solar-powered traffic signals across high-traffic zones, upgraded training facilities for transport staff, and extended technical support to ensure hands-on, practical learning through working brake system models. These targeted endeavours are helping shape safer roads and support public transport departments with the tools they need to train drivers effectively.



Impact Snapshot

- Serviced three road safety working models
- Deployed braking system working models at seven State Transport Unit (STU) training centres
- 11,360 people benefitted from this initiative



Community Development

Strong communities form the foundation of a thriving society. Across our locations, we undertook several projects to improve access to essential services, including healthcare, sanitation, education, water, and connectivity. From building a rural access road to renovating a village football ground and stage, we design our initiatives to fulfil the daily requirements of our communities, while imbuing

a sense of pride about their neighbourhoods. Our efforts extend to bolstering healthcare delivery by upgrading Primary Health Centres (PHCs) and improving school infrastructure by constructing a midday meal kitchen for students. Every project we deliver blends the essence of dignity, access, and long-term well-being, paving the way for a more empowered future.

Impact Snapshot

- Provided three scan machines, three autoclaves, one microscope to four UPHCs in Ambattur
- Upgraded an operation theatre at Perambakkam PHC
- Installed an X-ray machine at Perambakkam PHC
- Extended support for an oxygen plant at KK Nagar
- Built a kitchen for providing midday meals at Government Middle School, Uperbera
- Commissioned a drinking water facility with a solar pump and overhead tank in Uperbera village
- Constructed a 1.5 km rural road from Mappedu Road to Hussain Nagar
- Supported the maintenance of toilet blocks at four locations, including Athipet School, Mahila Thana, Police Line School, and Jamshedpur School
- Carried out the renovation of the football ground and stage at Uperbera, along with tree plantation around the ground
- 25,700 people benefitted from this initiative



Skilling Individuals

We believe in creating opportunities that power growth and leadership within the community we serve. Our skilling programmes focus on hands-on training, lab infrastructure, and digital access. By equipping technical institutions and training centres with industry-relevant tools, we help bridge the gap between learning and employability. We also extend support to young learners by providing laptops and encouraging digital inclusion. Our continued involvement in the National Apprenticeship Promotion Scheme (NAPS) further solidifies our stature as an organisation that promotes the concept of learning-by-doing for empowered employment.

Impact Snapshot

- Delivered training to trainers, technicians, and drivers at STUs & Transport Nagar
- Supplied Technical Service Centre (TSC) equipment to four STU regional workshops
- Established Physics, Chemistry, and Computer labs at Government Polytechnic, Harakh
- Distributed laptops to underprivileged students
- Provided ongoing assistance to NAPS trainees
- 1,010 people benefitted from this initiative



Environmental Sustainability

We channelise our sustainability efforts to promote energy efficiency, renewable power, and eco-conscious infrastructure. Across multiple locations, we supported the installation and upkeep of solar lighting systems, including streetlights and high-mast fixtures, improving visibility, safety, and energy access in public spaces. In addition, we took up tree plantation drives to widen green cover around community spaces and supported long-term maintenance contracts to maintain functionality of existing solar infrastructure.



Impact Snapshot

- Commissioned four solar-powered traffic signals (four-way) at Gamharia Main Road, Jamshedpur
- Installed five solar-powered traffic signals (three-way) at Gamharia Main Road, Jamshedpur
- Built five solar traffic signals in Ambattur and Avadi
- Set up two solar traffic signals and one high-mast light in Barabanki, Lucknow
- Installed 50 double arm solar-powered streetlights in Ambattur & Avadi
- Commissioned 50 single-arm solar streetlights between Alinjivakkam and Poovalli Kuppan village
- Built three high-mast solar lights in Ambattur
- Equipped seven PHCs in Chengalpet District with solar power systems
- 274,000 people benefitted from this initiative

Governance

Governance that Inspires Trust



We embed governance at the core of how we lead, decide, and deliver – treating it as a strategic driver for responsible growth and long-term value creation. Our governance framework demonstrates our unshakable commitment to ethical conduct, transparency, and accountability across all levels of the organisation. Encompassing clearly defined policies, dynamic risk oversight, and a proactive compliance culture, we ensure alignment with regulatory expectations and stakeholder trust. Through this integrated, forward-looking approach, we safeguard our operations and enable resilient decision-making – effectively positioning us to navigate complexity with clarity and uphold purpose with consistency.

Our Robust Policies

We are led by a robust policy framework that drives our commitment to responsible and transparent governance. The Board-approved policies form the foundation for principled

decision-making and define the standards of conduct expected across the organisation. More than a set of documents, this policy charter reflects our commitment to ethical practices, responsible

governance, and purposeful growth. It outlines the core principles that all members of the organisation are required to uphold and integrate into their day-to-day actions. The policies include the following:



To dive deeper into our policies, please refer to the link below:

https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html#policiesandcodeofconduct_acc_657742_0

Risk Governance and Management Framework

We implemented a comprehensive risk management framework to safeguard the business against uncertainty and position the Company for sustained success. This system enables the timely identification, assessment, and mitigation of risks across operational and strategic areas.

Risk reports are regularly presented to the Risk Management Committee and the Board of Directors, facilitating informed decisions and proactive interventions. Led by a team of seasoned professionals, the Risk Management Committee collaborates cross-functionally to analyse emerging risks and adapt

mitigation strategies. The Committee also oversees the development and continuous refinement of our Risk Management Policy, promoting a culture of preparedness, resilience, and agility amidst a dynamic business landscape.

Upholding Ethical Standards across the Business

We uphold integrity as a core tenet of our governance approach. We are committed to conduct our business ethically and responsibly, guided by a clearly defined Code of Conduct that sets expectations for behaviour across all levels of the organisation.

Our ethical framework is aligned with the National Guidelines on

Responsible Business Conduct (NGRBC), reflecting our commitment to long-term value creation and stakeholder trust. Our policies are compliant with legal and industry standards and apply across our entire ecosystem, encompassing employees, directors, vendors, suppliers, and contractors. By

embedding ethical standards throughout the value chain, we ensure that responsible conduct is maintained in every interaction, both internal and external.

Anti-corruption: Zero Tolerance, High Accountability

We follow a zero-tolerance stance on corruption, bribery, and conflicts of interest. Our Code of Conduct outlines clear expectations for fairness and honesty in every interaction, with customers, suppliers, and business partners. All employees are expected to avoid situations that may create actual or perceived conflicts of interest, and to refrain from offering or accepting any undue advantage. These principles fortify our commitment to protect the trust bestowed upon us by stakeholders and preserve the integrity of our operations.



Board Committees

Our Board delegates certain responsibilities to specialised committees that serve as integral components of our governance framework. These committees are structured to provide focussed oversight, facilitate informed decision-making, and ensure the effective discharge of duties in critical areas of operations. Through policy guidance, performance reviews, and implementation monitoring, the committees enable the Board to manage risks, identify opportunities, and uphold the principles of transparency, accountability, and long-term value creation.

Each committee comprises members with domain-specific expertise and operates under clearly defined charters that outline their scope, responsibilities, and authority. The committees contribute significantly to streamline operations, maintain adherence to regulatory protocols, and preserve stakeholder confidence.

Audit Committee

The Committee is responsible for overseeing financial reporting, internal controls, and audit processes. It functions as an independent body that maintains the integrity and accuracy of financial disclosures, augments the robustness of governance practices, and uphold the trust of shareholders. The Committee comprises Independent Directors with strong financial and accounting expertise.

Risk Management Committee

The Committee oversees the Company's risk management framework, helping identify, assess, and mitigate risks across strategic and operational dimensions. It plays a critical role in defining risk appetite, ensuring regulatory compliance, planning for crisis scenarios, strengthening business continuity, and monitoring cybersecurity risks.

Nomination and Remuneration Committee

The Committee is trusted with shaping Board composition and executive compensation to ensure that leadership structures remain effective and forward-looking. Its responsibilities include Director nominations, succession planning, evaluation of Board performance, and review of remuneration policies in line with long-term shareholder value. For further details on appointment, evaluation, and remuneration practices, refer to Page 194 of this report.

Stakeholders Relationship Committee

The Committee focusses on maintaining strong and transparent engagement with stakeholder ecosystem. It is responsible for overseeing feedback mechanisms, grievance redressal systems, and communication strategies to ensure concerns are addressed promptly and relationships are nurtured responsibly.

Corporate Social Responsibility Committee

The Committee steers the Company's social responsibility agenda, aligning initiatives with ethical, inclusive, and sustainable practices. It ensures that CSR programmes are purposefully planned, effectively implemented, and diligently monitored, allowing us to create significant impacts across our social ecosystem.



Statutory Reports

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

FINANCIAL HIGHLIGHTS

(In lakhs)

Year ended March 31	2020-21	2021-22	2022-23	2023-24	2024-25
Profit and loss Account					
Revenue from Operations	1,86,350	2,54,335	3,44,459	3,78,371	3,80,409
Other income	3,889	3,753	6,701	9,577	10,975
Total income	1,90,239	2,58,088	3,51,160	3,87,948	3,91,384
Gross profit before interest, depreciation & tax	24,466	29,008	53,732	65,891	73,520
Depreciation	9,040	9,243	10,476	10,949	12,270
Profit before interest & tax	15,426	19,764	43,256	54,943	61,250
Interest	199	190	567	501	570
Profit before taxation	15,227	19,574	42,689	54,442	60,680
Profit after taxation	10,380	14,207	31,767	40,478	45,866
Balance Sheet					
Net Fixed assets	48,198	55,592	66,235	75,122	79,216
Current investments	63,997	39,811	10,014	2,329	2,856
Net current assets (other than Investments)	77,420	1,05,811	1,60,341	1,94,489	2,33,235
Non-current assets (other than Fixed assets)	11,633	12,607	12,071	15,042	13,810
Total	2,01,248	2,13,821	2,48,661	2,86,982	3,29,117
Share capital	948	948	948	948	948
Reserves & surplus	1,98,692	2,10,459	2,39,964	2,77,917	3,20,132
Networth	1,99,640	2,11,407	2,40,912	2,78,865	3,21,080
Non-current liabilities	1,608	2,414	7,749	8,117	8,037
Deferred taxation (net)	-	-	-	-	-
Total	2,01,248	2,13,821	2,48,661	2,86,982	3,29,117
EPS (INR)	54.7	74.9	167.5	213.4	241.8
DPS (INR)	11.0	12.0	13.0	17.0	19.0
Book value per share (INR)	1,052.5	1,114.6	1,270.1	1,470.2	1,692.8
Return on capital employed (ROCE)%	7.7	9.4	17.6	19.4	18.8
Return on networth (RONW)%	5.3	6.9	14.0	15.6	15.32
Fixed assets turnover (no. of times)	3.9	4.6	5.3	5.2	4.9
Working capital turnover (no. of times)	2.4	2.4	2.0	1.9	1.6
Gross profit as % of sales (EBITDA)	13.1	11.4	15.6	17.4	19.3
Gross profit as % of total income	12.9	11.2	15.3	17.0	18.8
Net profit as % of total income	5.6	5.6	9.0	10.4	11.7
Debtors Turnover ratio	3.9	4.1	4.8	4.5	3.7
Inventory Turnover ratio	10.3	13.1	15.0	14.7	12.8
Current ratio	3.9	3.9	4.2	4.9	6.0

- (a) The Standalone figures are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013
- (b) ROCE is profit before interest and taxation divided by average networth plus loan funds
- (c) RONW is profit after tax divided by networth
- (d) Fixed assets turnover is sales divided by net fixed assets as at the end of the year
- (e) Working capital turnover is sales divided by net current assets (other than Investments) as at the end of the year
- (f) DPS is dividend declared for the year
- (g) Debt Equity Ratio and Interest coverage ratio are not applicable as there are no borrowings

NOTICE OF THE 21ST ANNUAL GENERAL MEETING TO THE MEMBERS

NOTICE is hereby given that the 21st Annual General Meeting of the members of the Company (AGM) will be held on Wednesday, August 20, 2025 at 15.00 Hours (IST) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

Ordinary Business:

1. To consider and to give your assent or dissent to the following ordinary resolution:

RESOLVED THAT the Audited (Standalone and Consolidated) Financial Statements of the Company for the Financial Year ended March 31, 2025 consisting of the balance sheet as on March 31, 2025, the statement of profit and loss, the statement of cash flow and statement of changes in equity for the Financial Year ended March 31, 2025 and the explanatory notes annexed to or forming part thereof, together with the reports of the Auditor's and Board of Directors thereon, be and are hereby adopted.

2. To consider and to give your assent or dissent to the following ordinary resolution:

RESOLVED THAT pursuant to Section 123 and other applicable provisions of the Companies Act, 2013, the Rules made thereunder and pursuant to the recommendation of the Board of Directors of the Company, a dividend of INR 19 (Rupees Nineteen only) per share on 18,967,584 equity shares of INR 5/- (Rupees Five only) each fully paid up, which make up the entire paid-up equity capital of the Company, absorbing a sum of INR 3,603.84 lakhs, be and is hereby declared for the financial year ended March 31, 2025, out of the profits of the Company for the said financial year arrived at after providing for the applicable depreciation, and that the said Dividend shall be paid to the Shareholders whose names appear in the register of members (for shares held in physical form) / register of beneficial owners of the Company's shares (for shares held in dematerialised form) maintained by the depositories, as at the close of August 08, 2025 being the record date fixed for this purpose.

3. To consider and to give your assent or dissent to the following ordinary resolution:

RESOLVED THAT pursuant to Section 152 of the Companies Act, 2013, the vacancy arising in the Board of the Directors of the Company on account of Mr. Philippe Colpron (DIN: 08344534) the Director retiring by rotation at the twenty first annual general meeting, and not offering himself for re-appointment, be not filled up.

Special Business:

4. To consider and to give your assent or dissent to the following ordinary resolution:

RESOLVED THAT pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the provisions of Section 204(1) of the Companies Act, 2013 ("the Act") and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Act, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and upon recommendations of the Audit Committee and the Board of Directors of the Company, consent of the Members be and is hereby accorded for appointment of M/s. V Suresh Associates, Practising Company Secretaries, Chennai (Firm Registration No. P2016TN053700 and Peer review No.6366/2025) as Secretarial auditor of the Company, to hold office for a period of 5 (five) consecutive years commencing from the conclusion of the 21st Annual General Meeting (FY 2025-26) till the conclusion of the 26th Annual General Meeting (FY 2029-30), to conduct the secretarial audit as required under section 204 of the Act, at a remuneration and on such terms and conditions as may be determined or modified by the Board of Directors of the Company from time to time in compliance with the applicable laws, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit.

5. To consider and to give your assent or dissent to the following ordinary resolution:

RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of INR 600,000/- (Rupees Six Lakhs only) plus applicable taxes and out of pocket expenses at actuals, payable for the financial year ending on March 31, 2026 to M/s. A N Raman & Associates, Cost Accountants, having firm registration number. 102111, as fixed by the Board of Directors at the time of their re-appointment as the Cost Auditor to audit the cost records of the Company for the said financial year, be and is hereby ratified.

6. To consider and to give your assent or dissent to the following ordinary resolution:

RESOLVED THAT pursuant to the provisions of Section 152, 160 and all other applicable provisions



of the Companies Act, 2013 (the "Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and regulation 17 and all other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or enactment thereof for the time being in force), upon the recommendation of Nomination and Remuneration Committee and the Board of Directors, Dr. Lars Orlik (DIN: 10390472), in respect of whom the Company has received notice in writing under Section 160 of the

Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Non-Independent Director, of the Company, liable to retire by rotation, with effect from August 21, 2025.

By order of the Board

For **ZF Commercial Vehicle Control Systems India Limited**

Chennai
May 15, 2025

MUTHULAKSHMI M
Company Secretary

Registered Office:
CIN: L34103TN2004PLC054667
ZF Commercial Vehicle Control Systems India Limited,
Plot No.3, (SP), III Main Road,
Ambattur Industrial Estate, Chennai - 600 058

Statement of material facts pursuant to Section 102 of the Companies Act, 2013

The following statement sets out all material facts relating to the ordinary / special businesses mentioned in the accompanying Notice dated May 15, 2025 and shall be taken as forming part of the Notice.

Item No. 3

Mr. Philippe Colpron has been appointed as an Additional Director in the category of Non-Executive Non-Independent Director by the Board at their meeting held on January 29, 2019 in terms of Section 161 of the Companies Act, 2013 and by the shareholders as Director (Non-Executive Non-Independent) at the annual general meeting (AGM) held on August 14, 2019 and is liable to retire by rotation in terms of the applicable provisions of the Companies Act, 2013.

Mr. Philippe Colpron has expressed his intention not to seek re-appointment at the AGM, due to his increased responsibilities being the Executive Vice President - Aftermarket of the ZF Group. The Directors place on record his outstanding service, significant contributions, and commitment to the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the resolution as set out in Item No.3 of this Notice. Accordingly, the Board recommends the ordinary resolution as set out in Item No.3 for approval of the members.

Item No. 4

Pursuant to the provisions of Section 204 of the Companies Act, 2013 ('the Act'), and relevant rules thereunder, every listed company is required to annex with its Board's Report, a secretarial audit report, given by a Company Secretary

in practice. In terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), a listed entity is required to appoint or reappoint a Secretarial Auditor with the approval of its shareholders in the Annual General Meeting.

M/s. Sriram Krishnamurthy & Co. (formerly known as S Krishnamurthy & Co.), Company Secretaries had been the secretarial auditors of the Company from FY 2014-15 and has completed ten years; to ensure independence and as a good governance practice, the Board of Directors on recommendation of the Audit Committee, at their meeting held on May 15, 2025, has recommended the appointment of M/s. V Suresh Associates, Company Secretaries, (Firm Registration No. P2016TN053700 and Peer review No.6366/2025), as the Secretarial Auditors of the Company, in accordance with the provisions of Section 204 of the Companies Act, 2013, and Regulation 24A of the Listing regulations for a term of 5 (Five) consecutive years from the conclusion of the 21st Annual General Meeting (FY 2025-26) till the conclusion of the 26th Annual General Meeting (FY 2029-30), to conduct the secretarial audit as required under section 204 of the Act, for the approval of the Shareholders in this Annual General Meeting of the Company.

The Company has received from M/s. V Suresh Associates Company Secretaries, the consent and eligibility to act as the Secretarial Auditor of the Company as per the provisions of the Act and the Listing Regulations read with SEBI Circular No. SEBI/ HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.

The details required to be disclosed under provisions of Regulation 36(5) of the Listing regulations are as under:

Name of the proposed Secretarial Auditor	M/s. V Suresh Associates, Company Secretaries
Basis of Recommendation	M/s. V Suresh Associates, is a distinguished professional services firm, specialising in offering expert advice and services in the domains of Secretarial and Corporate Governance with more than 20 years of standing. The Firm has a team of experienced professionals committed to delivering high-quality, innovative solutions. The Board believes that their experience of conducting Secretarial Audit of listed companies and large companies, and knowledge of the legal and regulatory framework will be valuable to the Company in ensuring continued adherence to compliance requirements under the Companies Act, 2013, Securities and Exchange Board of India Act, 1992 and other applicable laws. The recommendation for the appointment of M/s. V Suresh Associates as Secretarial Auditor is based on their past track record and capabilities in delivering quality secretarial audit services to other companies of similar size and complexity.
Credentials of Proposed Secretarial Auditor	M/s. V Suresh Associates is a firm of Company Secretaries in Practice and holding Peer Review Certificate No. 6366/2025 issued by the Peer Review Board of the Institute of Company Secretaries of India.
Term of Appointment	Five (5) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 26 th Annual General Meeting of the Company to be held for the Financial Year ended March 31, 2030; to conduct Secretarial Audit from the Financial Year ended March 31, 2026, to Financial Year ended March 31, 2030.

Proposed Fees	INR 300,000 per annum plus applicable taxes and reimbursement of other out-of-pocket expenses actually incurred in connection with the Secretarial Audit of the Company for FY 2025-26 and with the authority to the Board to make revisions as it may deem fit for the upcoming financial years.
Rationale for change	To ensure independence and as a good governance practice, it is proposed to change the Secretarial Auditor of the Company.

The remuneration payable to the proposed Secretarial Auditor has been fixed based on the proposal as received from some of the PCS Firms and the prevailing market practice.

None of the Directors or Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No. 5

Pursuant to Section 148 of the Companies Act, 2013 and Rule 4 of Companies (Cost Records and Audit) Rules, 2014 including amendments and re-enactments and clarifications issued by the Ministry of Corporate Affairs, the Company is required to appoint a Cost Auditor to audit the cost records of the applicable products of the Company.

Based on recommendation of the audit committee, the Board at its meeting held on May 15, 2025, considered, and approved the re-appointment of M/s. A.N. Raman & Associates, as Cost Auditor for the financial year 2025-26 at a remuneration of INR 600,000/- plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, subject to ratification by the Shareholders of the Company. The remuneration payable to M/s. A.N Raman & Associates, requires to be ratified by the Members at the forthcoming annual general meeting. Hence, the resolution is being proposed as Item No. 5 of the Notice.

None of the Directors or Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends that, this resolution be approved by the Members.

Item No. 6

The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 15, 2025, has recommended the appointment of Dr. Lars Orlik (DIN: 10390472) as a Non-executive Non-Independent Director of the Company liable to retire by rotation with effect from August 21, 2025, for the approval of the shareholders in this AGM.

The Company has received the following disclosures / declaration / details / confirmations from Dr. Lars Orlik:

- Consent to act as a Director of the Company in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ('Appointment Rules').

- Notice of interest in Form MBP-1 disclosing concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals.
- Intimation in Form DIR-8 confirming that he is not disqualified for appointment as a Director of the Company under sub-section (2) of Section 164 of the Act.
- Details of Committee Member/Chairman in other Companies.
- Waiver letter for sitting fees.

The Company has also received a Notice from a Member under Section 160 of the Act, proposing the candidature of Dr. Lars Orlik, for the office of Director of the Company. All material documents referred to in the Notice and Explanatory Statement such as the appointment letter, statutory forms etc. will be available for inspection without any fee for the members at the Company's registered office during normal business hours on working days.

Additional details as required, pursuant to the provisions of the listing regulation and the Secretarial Standards on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, are provided below.

Profile of Dr. Lars Orlik

Dr. Lars Orlik serves as the Chief Financial Officer (CFO) of the Commercial Vehicle Solutions (CVS) division at ZF Group, a position he has held since 2023. Dr. Orlik brings a wealth of experience in finance and engineering to his role, driving strategic financial initiatives and operational excellence within the division.

Educational Background:

- Doctorate in Engineering (Dr.-Ing.) with a focus on Innovations Management from Universität Paderborn (2000-2004).

- Diplom Wirtschaftsingenieur (Industrial Engineering) from Universität Paderborn (1993-2000).
- Studied Economics at the University of Tampere (1997).

Most recent Professional Experience:

- CFO, Commercial Vehicle Solutions (CVS) division, ZF Group (2023-current): Leading financial operations and strategic initiatives within the CVS division.
- CFO, PassCar Active Safety Systems Division, ZF Group (2020-2023): Led financial operations and

strategic planning, enhancing the division's financial performance and stability.

- CFO Business Unit and Head of Cost Engineering, Division PassCar Powertrain, ZF Group (2016-2019): Managed financial oversight and cost engineering, contributing to significant cost reductions and efficiency improvements.
- Head of Sales, Logistics, and Strategy, Bosch Automotive Steering (2012-2015): Directed sales and logistics operations, implementing strategic initiatives that boosted market share and operational efficiency.

Dr. Lars Orlik

Age	51
DIN	10390472
Inter-se relationships with directors and key managerial personnel	None
Key terms and conditions of appointment	As per the resolution set out at Item No.6 of this Notice read with statement pursuant to Section 102 of the Act.
Date of first appointment on Board	Not applicable
Details of remuneration last drawn (FY 2024-25)	Not applicable
No. of Board Meetings attended during FY 2024-25 (upto the date of this Notice)	Not applicable
Remuneration proposed to be paid	No remuneration including sitting fees
Shareholding in the Company including shareholding as a beneficial owner as on date of the Notice	Nil
Directorships in other Companies (including Listed entities in which the person also holds the directorship)	None
Membership/Chairmanship of Committees in other Companies	None
Listed entities from which the Director has resigned in the past three years	None
Skills and capabilities required for the role and the manner in which he meets such requirements	Not applicable

Except Dr. Lars Orlik, none of the Directors or any Key Managerial Personnel or their relatives is, in anyway, concerned or interested, financially or otherwise in the above resolution as set out in item no.6 of this notice.

The Board recommends that, this ordinary resolution be approved by the Members.

Chennai
May 15, 2025

Registered Office:
CIN: L34103TN2004PLC054667
ZF Commercial Vehicle Control Systems India Limited
Plot No.3, (SP), III Main Road,
Ambattur Industrial Estate, Chennai - 600 058.

By order of the Board
MUTHULAKSHMI M
Company Secretary

Notes:

1. Pursuant to the various Circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India ("SEBI") and in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), physical attendance of the Members at the AGM venue is not required, and AGM can be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate at the ensuing AGM through VC / OAVM.
2. The statement of material facts pursuant to Section 102 of the Companies Act, 2013, with respect to the special business to be transacted at the twenty first AGM, as set out in the notice convening the meeting, is annexed hereto.
3. A Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his / her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM, pursuant to the applicable MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Bodies Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-Voting.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Members holding shares as on the "cut-off date" viz., August 13, 2025 are eligible for voting through electronic voting system. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
6. Voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of August 13, 2025.
7. The Remote e-Voting period commences on August 17, 2025 (9:00 hrs. IST) and ends on August 19, 2025 (17:00 hrs. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of August 13, 2025, may cast their vote electronically. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. At the end of Remote e-voting period, the facility shall forthwith be blocked.
8. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. August 13, 2025 may obtain the login ID and password by sending an e-mail to evoting@nsdl.co.in by mentioning his Folio No. /DP ID and Client ID No.
9. A member may participate in the meeting even after exercising his right to vote through remote e-Voting but shall not be allowed to vote again at the meeting.
10. Members as on the cut-off date viz. August 13, 2025, can join the AGM through the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. Large Shareholders (Shareholders holding 2% or more of the total number of shares), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. are allowed to attend the AGM without any restriction.
11. Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
12. Pursuant to the provisions of Section 108 of the Companies Act, 2013. read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, and the Circulars issued by the MCA, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by NSDL.
13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
14. In line with the MCA Circular on holding the AGM in electronic mode, the Notice calling the AGM has been uploaded on the website of the Company at https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

15. Members may also note that the Annual Report and the notice to the AGM will also be available on the Company's website viz., https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html for download. Electronic copy of the Annual Report and the notice of the AGM inter - alia indicating the process and manner of e - Voting are being sent to all the Members whose e - mail IDs are registered with the Company / DPs for communication purposes.
16. Under Section 124 read with Section 125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund Authority (IEPF), Ministry of Corporate Affairs. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the report on Corporate Governance forming part of the Annual Report.

An amount of INR 507,024 (Rupees Five Lakhs Seven Thousand and Twenty-Four only) being unclaimed/ unpaid dividend of the Company for the financial year ended March 31, 2017 was transferred in November 2024 to IEPF.

The Company paid to IEPF an amount of INR 850,929 (INR Eight Lakhs Fifty Thousand Nine Hundred and Twenty-Nine Only) on July 2024, towards dividend for the financial year ended March 31, 2024 on such Shares which were transferred to IEPF.

The Company have transferred 2,861 shares to the Investor Education and Protection Fund Authority (IEPF) in the month of September 2024. In terms of Rule 5 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has uploaded the information in respect of the Unclaimed Dividends as on March 31, 2024 on the website of MCA viz, www.mca.gov.in and under "investor section" on the website of the Company viz https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. A separate reminder was also sent to those members having unclaimed dividends since FY 2017-18. Members who have not encashed their dividend warrants are advised to surrender the un-encashed warrants immediately to the Company or the Share Transfer Agent and to claim the dividends.

17. Section 124(6) was notified on September 05, 2016 along with the relevant rules therein on September 05, 2016 which mandates that all shares in respect

of which dividend is remaining unpaid or unclaimed by the shareholder for a continuous period of seven years shall be transferred by the Company to the Investor Education and Protection Fund in the manner prescribed. In this regard, the Company had sent reminders to these shareholders as prescribed in the rules. Subsequently, eligible shares were transferred to the demat account of the IEPF Authority as per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2016 (as amended from time to time). Shareholders can claim from IEPF Authority both unclaimed dividend amount and the shares transferred to the demat account of the IEPF Authority by filing application to the Ministry of Corporate Affairs (IEPF Authority) in Web Form IEPF - 5 and submitting the same along with relevant documents to the Company. Required instructions in this regard for claiming the shares are available on the website www.mca.gov.in.

18. Shareholders are requested to note that SEBI has mandated that, the Company cannot process any request for transfer of shares received in physical mode. Adequate communications in this regard have already been sent to the shareholders holding shares in physical mode. Hence it is requested that all shareholders holding shares in physical mode shall demat their shares to avoid any issues in future. RTA will intimate the Shareholder/claimant about its execution / issuance of new certificate as may be applicable, by way of issuing Letter of Confirmation. In case of non-receipt of demat request from the shareholder/claimant within 120 days from the date of Letter of Confirmation, the shares will be credited to Suspense Escrow Demat Account of the Company. Further in accordance with the circular SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2022/8 issued by SEBI on January 25, 2022, listed companies shall henceforth issue the securities in dematerialised form only (vide Gazette Notification no. SEBI/ LADNRO/ GN/2022/66 dated January 24, 2022) while processing the service requests such as Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certifications, Consolidation of securities certifications, folios, Transmission and Transposition.
19. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

20. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (smartodr.in/login).
21. In accordance with the circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 on May 07, 2024, SEBI has introduced common and simplified norms for furnishing PAN, KYC details and Nomination. Accordingly, the RTA shall not process any service requests or complaints received from the holder(s) / claimant(s), till PAN, KYC and Nomination documents/details are updated. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing the aforesaid details. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html
22. Required details of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice as per Listing Regulations. The Directors have furnished requisite consent and declaration for their appointment.
23. Since AGM has been held through VC/OAVM in compliance with MCA Circulars and SEBI Circulars, route map of the venue of AGM is not annexed herewith and the venue of AGM shall be deemed to be the Registered Office of the Company.
24. In accordance with the various circulars from MCA, Notice of AGM and Annual Report are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company or RTA or the Depository Participant(s) and a letter providing the web-link, including the exact path, where complete

details of the Annual Report is available will be sent to the members whose e-mail addresses are not registered with Company / Depository Participants / RTA, as per the Regulation 36(1b) of the Listing Regulations. For any communication in this regard, including the requirement of physical copy of Annual Report, members may send their request letters to cvcs.info.india@zf.com / einward@integratedindia.in

25. Voting through electronic means
 - I. In compliance with provisions of Section 108 and other applicable provisions of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote at the 21st Annual General Meeting (AGM) through electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).
 - II. Remote e-Voting means the facility of casting votes by a member using an electronic voting system.

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

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

Step 1: Access to NSDL e-Voting system

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

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in DEMAT mode with NSDL	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile app "NSDL Speed-e" facility by scanning the QR code below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in DEMAT mode with CDSL	- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. - After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. - If the user is not registered for Easi/ Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in DEMAT mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in DEMAT mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in DEMAT mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

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

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

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

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

- Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example, if folio number is 001*** and EVEN is 134702 then user ID is 134702001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name, and your registered address etc.,
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to karthik.v.ganapathy@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Amit Vishal, Deputy Vice-President- NSDL evoting@nsdl.co.in / 022-24994360/+91 9920264780.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to cvcs.info.india@zf.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit benefi ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to cvcs.info.india@zf.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholders/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

In terms of SEBI circular dated December 09, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their

mobile number and email ID in their demat account in order to access e-Voting facility.

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

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

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

- a. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- e. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number / folio number, email ID, mobile number at cvcs.info.india@zf.com / einward@integratedindia.in at least 48 hours in advance before the start of the meeting i.e. by August 18, 2025 by 14:30 hrs. (IST). The same will be replied by the Company suitably.
 - f. Only those members who register themselves as a speaker will be allowed to speak at the meeting.
 - g. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID / folio number and mobile number, to reach the Company's e-mail-ID at cvcs.info.india@zf.com/ einward@integratedindia.in at least 48 hours in advance before the start of the meeting. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
26. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential Login to the e-Voting website. The e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 27. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to participate in the meeting, avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
 28. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
 29. Mr. G Karthikeyan, Practicing Company Secretary, (Membership No. A19411 CP No. 21869), Chennai has been appointed as the Scrutiniser to scrutinise the e-Voting process (both remote e-Voting prior to the AGM and the remote e-Voting at the AGM) in a fair and transparent manner.
 30. The Scrutiniser shall after the conclusion of the voting at the Annual General Meeting, unblock the votes cast through remote e-Voting prior to as well as during the AGM and shall make a consolidated scrutiniser's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent within 2 (two) working days from the conclusion of the AGM to the Chairman or a person authorised by him in this regard, who shall then countersign the report and declare the result of the voting forthwith.
- The results declared along with the Scrutiniser's Report shall be placed on the Company's website https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of results by the Chairman or a person authorised by him and simultaneously communicated to the stock exchanges where the shares of the Company are listed.
31. Pursuant to the Circulars issued by MCA and SEBI, owing to the difficulties involved in dispatching of physical copies of the Notice of the Twenty first AGM and the Annual Report for the financial year ended March 31, 2025, only soft copies of the said documents are being sent by email to the Members. Therefore, those members, whose e-mail address is not registered with the Company or with their respective Depository Participants, and who wish to receive the Notice of the AGM and the Annual Report and other communications from the Company, can get their e-mail address registered by following the steps as given below: -
 - a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, e-mail address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAAR) supporting the registered address of the Member, by e-mail to the Company's e-mail address cvcs.info.india@zf.com / einward@integratedindia.in
 - b) For Members holding shares in demat form, please update your email address through your respective Depository Participant(s).
 32. In terms of Regulation 36(3) of the Listing Regulations, a brief profile of the Director, whose appointment is proposed to be approved in this AGM, the nature of his expertise in specific functional areas, other directorships and committee memberships in listed entities, shareholding, and relationship with other directors of the Company are also furnished herein.



33. In terms of Regulation 36(5) of the Listing Regulations, Proposed fees payable to the secretarial auditor(s), Basis of recommendation for appointment including the details in relation to and credentials of the secretarial auditor(s) proposed to be appointed are also furnished herein.

Chennai
May 15, 2025

By order of the Board
MUTHULAKSHMI M
Company Secretary

Registered Office:
CIN: L34103TN2004PLC054667
ZF Commercial Vehicle Control Systems India Limited
Plot No.3, (SP), III Main Road, Ambattur Industrial Estate, Chennai - 600 058.

BOARD'S REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the 2nd Integrated Annual Report of ZF Commercial Vehicle Control Systems India Limited ('the Company') together with the audited financial statements (standalone & consolidated) and auditors' report thereon for the financial year ended March 31, 2025.

1. FINANCIAL HIGHLIGHTS

(INR in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from Operations	3,80,408.92	3,78,370.85	3,83,096.25	3,81,564.74
Other Income	10,974.90	9,577.37	10,819.72	9,481.61
Total Income	3,91,383.82	3,87,948.22	3,93,915.97	3,91,046.35
Profit before interest depreciation and tax	73,520.17	65,891.45	73,927.53	66,123.85
Finance Costs	570.47	500.91	570.47	500.91
Depreciation and amortisation	12,270.06	10,948.78	12,425.23	10,979.88
Profit before tax	60,679.64	54,441.76	60,931.83	54,643.06
Provision for taxation (including deferred tax and tax relating to earlier years)	14,813.82	13,963.82	14,858.83	13,998.41
Profit after tax	45,865.82	40,477.94	46,073.00	40,644.65
Other Comprehensive Income / (Loss) for the year net of tax	(426.22)	(58.63)	(426.22)	(58.63)
Total Comprehensive Income for the year Net of Tax	45,439.60	40,419.31	45,646.78	40,586.02

2. DIVIDEND

Based on the Company's performance, the Board of Directors has recommended a dividend of INR 19/- per equity share for the year ended March 31, 2025. The dividend on equity shares if approved by the members would involve a cash outflow of INR 3,603.84/- lakhs and a dividend payout ratio of 7.86 % of the standalone profits of the Company.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is available on the Company's website at [ZF CV India Investor Relations](#)

Transfer of Unclaimed Dividend to IEPF:

Dividends that are unclaimed/unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government, as per Companies Act 2013 ("the Act"). An amount of INR 507,024 /- (Rupees Five Lakhs Seven Thousand and Twenty-Four only) being unclaimed Final dividend of the Company for the financial year ended March 31, 2017 was transferred in November, 2024 to IEPF.

Transfer to reserves

The Standalone closing balance of the retained earnings of the Company for financial year 2024-25, after all appropriation and adjustments was INR 2,953.51 crores.

The Board of Directors has decided to retain the entire amount of profit for the FY 2024-25 in the retained earnings.

3. PERFORMANCE

During the year 2024-25, the Company achieved a total income of INR 3,914 crores as against INR 3,879 crores in the previous year. The profit before tax was INR 607 crores as against INR 544 crores in the previous year and the Profit after tax was INR 459 crores as against INR 405 crores in the previous year. There has been no change in the nature of business of the Company during the financial year ended March 31, 2025.

4. CAPITAL EXPENDITURE

Capital expenditure of INR 161 crores was incurred during FY 2024-25 as against the planned estimate of INR 200 crores. The unspent capex is expected to be utilised in the FY 2025-26, primarily due to projects

that were scheduled for completion within FY 2024-25, was deferred to FY 2025-26.

Capital Expenditure of INR 190 crores is planned for FY 2025-26.

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2025, the Company has 8 (eight) Directors with the combination of 1 (one) Executive and 7 (Seven) Non-Executive Directors including 2 (two) Women Independent Directors. Out of 7 (seven) Non-Executive Directors, 4 (four) are Independent Directors.

During the year, the Members approved the following appointment and re-appointment of Directors:

- Appointment of Mr. Akash Passey (DIN 01198068) as a Non-executive Non- Independent Director & Chairman of the Company with effect from May 22, 2024.
- Appointment of Mr. Neeraj Sagar (DIN 09475452) as an Independent Director of the Company for a term of five years from May 22, 2024 to May 21, 2029.
- Re-appointment of Mr. P Kaniappan (DIN 02696192) as Managing Director of the Company for a period of 6 months from June 17, 2024 to December 31, 2024 and for a further period of 6 months from January 01, 2025 to June 30, 2025.

During the year, the Board of Directors approved the appointment of Mr. Paramjit Singh Chadha (DIN 06972549) as Managing Director of the Company with effect from July 01, 2025 to December 31, 2027 subject to the approval of the shareholders.

Mr. Mahesh Chhabria (DIN 00166049), Independent Director of the Company, has completed his first term of 5 (five) years, on the close of business hours on May 15, 2025 and being eligible for re-appointment has been re-appointed for another term of 5 consecutive years from May 16, 2025 to May 15, 2030, subject to approval of shareholders.

Appointment of Dr. Lars Orlik (DIN: 10390472) as Non-Executive and Non-Independent Director with effect from August 21, 2025, liable to retire by rotation, is proposed in the ensuing AGM, for the approval of the shareholders.

Retirement by rotation

Mr. Philippe Colpron, Non-Executive Director, (DIN 08344534) expressed his unwillingness for reappointment at the ensuing Annual General Meeting due to his increased responsibilities of being the Executive Vice President - Aftermarket of the ZF Group.

The vacancy of the retiring Director i.e. Mr. Philippe Colpron is not filled up.

Independent Directors

In terms of Section 149 of the Companies Act, 2013 ("the Act") and SEBI Listing Regulations, Mr. Mahesh Chhabria, Ms. Amrita Verma Chowdhury, Ms. Rashmi Urdhwarashe and Mr. Neeraj Sagar are Independent Directors of the Company as on March 31, 2025.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfil the conditions specified in the applicable laws and are independent of the management of the Company.

All Independent Directors of the Company have given requisite declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act along with Rules framed thereunder, Regulation 16(1)(b) of SEBI Listing Regulations and have complied with the Code of Conduct of the Company as applicable to the Board of Directors and Senior Management.

During the year under review, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any, paid to them.

In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Company has received confirmation from all the Independent Directors about their registration on the Independent Directors Database maintained by the Indian Institute of Corporate Affairs, in terms of Section 150 of the Act, read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

A separate meeting of Independent Directors was held during the year as per the provisions of the Companies Act and SEBI Listing Regulations.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Key Managerial Personnel of the Company for the FY 2024-25 are as follows: -

Mr. P Kaniappan - Managing Director
 Ms. Sweta Agarwal - Chief Financial Officer
 Ms. Muthulakshmi M - Company Secretary

6. AUDIT COMMITTEE AND AUDITORS

6.1 Audit Committee

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which is a part of this report.

6.2 Statutory Auditor

M/s. B S R & Co. LLP, Chartered Accountants, holding firm Registration No 101248W/W-100022 have been re-appointed as statutory auditors of the Company, by the shareholders, for a second term of five consecutive years from the conclusion of 20th Annual General Meeting, up to the conclusion of the 25th Annual General Meeting of the Company to be held in the year 2029, as per the Section 139 of the Companies Act, 2013.

The Consolidated remuneration paid to Auditors / to affiliated firms / entities for Audit and services rendered in other capacities is included in the Corporate Governance Report, which is a part of this report.

The Auditors' report for the financial year 2024-25 does not contain any qualification, reservation or adverse remark or disclaimer and the same is attached with the annual financial statements.

6.3 Secretarial Auditor

M/s. Sriram Krishnamurthy & Co., (formerly known as S. Krishnamurthy & Co.), Company Secretaries have carried out Secretarial Audit under the provisions of Section 204 of the Act, for the financial year 2024-25 and submitted their report, which is annexed to this report as Annexure - 5. The said secretarial audit report does not contain any qualification, reservation or adverse remark or disclaimer.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, recommended the appointment of M/s. V Suresh Associates, a firm of Company Secretaries in Practice (Firm Registration Number: P2016TN053700) as the Secretarial auditor of the Company to hold office for a period of 5 (five) consecutive years commencing from the conclusion of the 21st Annual General Meeting (FY 2025-26) till the conclusion of the 26th Annual General Meeting (FY 2029-30), to conduct the secretarial audit as required under section 204 of the Act, for the approval of the Shareholders in the ensuing Annual General Meeting of the Company.

6.4 Cost Auditor

As per Section 148(1) of the Companies Act, 2013, the Company is required to have the audit of its cost records by a Cost Accountant. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the re-appointment of M/s. A. N Raman & Associates, Cost Accountants in Practice (Registration No. 102111) as the Cost Auditors of the Company to audit the cost records for relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the year ending March 31, 2026. M/s. A. N Raman & Associates confirmed under Section 139(1) of the Act and the Rules framed thereunder and furnished a certificate of their eligibility and consent for appointment.

The Board on recommendations of the Audit Committee have approved the remuneration payable to the Cost Auditor, subject to ratification of their remuneration by the Shareholders at the upcoming AGM. The resolution approving the above proposal is being placed for approval of the Shareholders in the Notice for this AGM.

The cost accounts and records of the Company are duly prepared and maintained as required under Section 148(1) of Act.

The cost audit report for the year 2023-24 has been filed with the Ministry of Corporate Affairs in the prescribed form within due date. The cost audit report for the year 2024-25 will also be filed within the stipulated time.

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not made any investment nor Guarantee nor security to any person or other body corporate under Section 186 of the Act.

The Company had given Inter-Corporate Loan amounting to INR 10 crores to M/s. ZF CV Control Systems Manufacturing India Private Limited (Wholly owned subsidiary) during the Financial Year 2023-24 and the same has been repaid as per the terms of the said Loan Agreement, as on the date of this report.

The Company had invested a sum of INR 2.33 lakhs as paid-up share capital (2,334 equity shares of INR 100 each) in Santhi Renewables Energies Private Limited on July 04, 2024 as part of Captive Power Purchase.

8. WHOLLY OWNED SUBSIDIARY

ZF CV Control Systems Manufacturing India Private Limited was incorporated with effect from January 05, 2022 as a wholly owned subsidiary (WoS) of the Company, to Manufacture and sale of auto ancillary parts for domestic and export markets.

The Share capital of the WoS is INR 100 lakhs and it has commenced its commercial production in the financial year 2022-23. Total income of the WoS was at INR 3,314.30 lakhs as against INR 3,475.93 lakhs in the previous year. The profit before tax was at INR 253.20 lakhs as against INR 201.52 lakhs in the previous year and the Profit after tax was INR 208.19 lakhs as against INR 166.93 lakhs in the previous year. There has been no change in the nature of business of the Company during the financial year ended March 31, 2025. Statement containing salient features of the financial statement of the WoS is given in Annexure –3 to this report.

9. ANNUAL EVALUATION OF THE BOARD'S PERFORMANCE

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and Directors, including the Chairman of the Board as per the requirements as specified in the guidance note issued by the Securities Exchange Board of India (SEBI) and the provisions of the Companies Act, 2013. The performance evaluation exercise was carried out through a structured evaluation process (by circulation of detailed evaluation matrix to all the Directors and was reviewed & confirmed by each Director) covering various aspects of the functioning of the Board and Committees such as their composition, experience & competencies, performance of specific duties & obligations, governance issues etc.

NRC reviewed the performance of individual Directors on the basis of criteria as specified in the Guidance note and in a separate meeting of Independent Directors, performance of Non-Independent Directors and the Board as a whole was evaluated. The above evaluations were then discussed in the Board meeting and performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated and the Board was satisfied with their performances, which reflected the overall engagement of the Board, Committees, and the Directors with the Company.

10. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity, and ethical behaviour. In line with the ZF Code of Conduct ('CoC'), any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the CoC cannot be undermined. Hence, the Company has established a vigil mechanism through "ZF Commercial Vehicle Control Systems India Limited Whistle Blower Policy" to enable employees, trainees, directors, and vendors of the Company, to report genuine concerns, unethical behaviour, actual or suspected fraud, violation of Company's Insider Trading Code, any unlawful act or violation of the Company's Code of Conduct.

The mechanism provides for adequate safeguards against victimisation of the whistle blower and direct access to the Chairman of the audit committee.

During the year under review, the Company had received four whistle blower complaints and the allegations levelled in the complaints were not substantiated during the investigation.

11. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

As mandated by SEBI, the Company is publishing its Business Responsibility and Sustainability Reporting (BRSR) from the Financial Year 2021-22. The Company is in 277th Position (BSE) as per the average market capitalisation from July 1, 2024 to December 31, 2024, hence as per the Listing Regulations, the Company has prepared the BRSR for the year ended March 31, 2025, as per the prescribed format which forms part of this annual report.

SEBI, through Circular SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122 dated July 12, 2023, has outlined the mandatory requirement for top 250 companies by market capitalisation to obtain reasonable assurance of their BRSR Core Principles for FY 2024-25. Since, the Company was at 277th position as per the average market capitalisation from July 1, 2024 to December 31, 2024 not mandated to comply with this requirement.

Managing Director of the Company is responsible for the implementation and oversight of the Policies relating to various principles of BRSR and to take forward the ESG initiatives.

12. STATUTORY STATEMENTS

12.1 Conservation of energy, Research & Development Expenses and foreign exchange earnings and outgo

Information regarding conservation of energy, research & development expenses and foreign exchange earnings and outgo is given in Annexure 1 to this report, as per the requirements of Section 134(3)(m) of the Act.

12.2 Corporate Social Responsibility

The Company's CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. A brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure 2 of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. This Policy is available on the Company's website at [ZF CV India Investor Relations](#)

For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is part of this report.

12.3 Directors' Responsibility Statement

Pursuant to Section 134(3)(c) & 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- b. The Directors had 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 on March 31, 2025 and of the profit of the Company for the year ended on that date;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual accounts on a going concern basis;
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. DISCLOSURES UNDER COMPANIES ACT, 2013

13.1 Extract of the Annual Return:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2025 is available on the Company's website at [ZF CV India Investor Relations](#).

13.2 Number of Board Meetings:

The Board of Directors met four times during FY 2024-25. The details of the Board meetings and the attendance of the Directors is provided in the Corporate Governance Report which is part of this report.

13.3 Committees of Board of Directors:

Details of memberships and attendance of various committee meetings are given in Corporate Governance Report. The Board has accepted / considered all recommendations made by the Committees to the Board during the financial year.

13.4 Related Party Transactions:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, or other designated persons which may have a potential conflict with the interest of the Company at large.

As per regulation 23(4) of Listing Regulations, prior approval of shareholders through postal ballot was obtained for the material related party transactions for the year ended March 31, 2025 entered between the Company and M/s ZF CV Systems Global GmbH, fellow subsidiary of the Company, on March 09, 2024 and the actual transactions for the year ended March 31, 2025 with the entity is enclosed as Annexure - 4 to this report.

Also, prior approval of shareholders for the proposed material related party transactions for the financial year 2025-26 between the Company and M/s. ZF CV Systems Global GmbH, fellow subsidiary of the Company, was obtained through postal ballot on March 22, 2025.

All transactions with related parties are placed before the audit committee and prior approval of the audit committee is obtained. The Company has developed a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions.

13.5 Internal financial control systems and their adequacy:

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis Report, which is a part of this report.

13.6 Risk management:

The Board of Directors of the Company has a Risk Management Committee to frame, implement, monitor the risk management activities and review the Enterprise Risk Management framework of the Company. The Audit Committee has additional oversight in the area of financial risks and controls.

The development and implementation of risk management policy has been covered in the Management Discussion and Analysis Report, which forms part of this report.

14. POLICIES

The following policies approved by the Board of Directors of the Company were uploaded and are available in the Company's website at the web link: [ZF CV India Investor Relations](#)

- 14.1.1** Code of Business conduct and ethics by the Board Members & Senior Management
- 14.1.2** Corporate Social Responsibility Policy

- 14.1.3** Related Party Transaction Policy
- 14.1.4** Nomination and Remuneration Policy
- 14.1.5** Whistle Blower Policy
- 14.1.6** Policy for Prohibition of Insider Trading
- 14.1.7** Policy on Criteria for Determining Materiality of Events
- 14.1.8** Dividend Distribution Policy
- 14.1.9** Corporate Governance Policy
- 14.1.10** Policy on Familiarisation of Independent Directors and Other Programs
- 14.1.11** Material subsidiary policy
- 14.1.12** Policy for Preservation and Archival of Documents

14.2 Company's policy on Directors' appointment and remuneration including criteria determining for qualification, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act is provided in the Corporate Governance Report which is a part of this report and is also available on the Company's website at [ZF CV India Investor Relations](#)

15. PARTICULARS OF EMPLOYEES

The information under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- 15.1** The ratio of the remuneration of each Director to the median remuneration of the employees and percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the financial year and such other details as required are as given below:

Sl. No.	Name of the Directors/Key Managerial Personnel and Designation	Ratio of remuneration to the employee's median remuneration	% increase / (decrease) in remuneration in the financial year
Executive Directors and Key Managerial Personnel			
	Mr. P. Kaniappan, Managing Director	39.87	(33.35)
Non-Executive Directors			
	Mr. Mahesh Chhabria, Independent Director	3.84	4.61
	Mr. Neeraj Sagar,[§] Independent Director	2.39	NA
	Ms. Amrita Verma Chowdhury, Independent Director	2.82	4.46 *
	Ms. Rashmi Urdhwareshe, Independent Director	2.73	4.63 [#]
Key Managerial Personnel			
	Ms. Sweta Agarwal, Chief Financial Officer	NA	(11.67) [§]
	Ms. M. Muthulakshmi, Company Secretary	NA	33.23

*Ms. Amrita Verma Chowdhury was appointed as an Independent Director on October 27, 2023. The remuneration of FY 2023-24 is annualised for the calculation.

[#]Rashmi Urdhwareshe was appointed as an Independent Director on March 20, 2024. The remuneration of FY 2023-24 is annualised for the calculation.

[§]Ms. Sweta Agarwal was appointed as the Chief Financial Officer on January 10, 2024. The remuneration of FY 2023-24 is annualised for the calculation.

[§]Mr. Neeraj Sagar was appointed as an Independent Director on May 22, 2024.

Directors other than those mentioned above have not drawn any remuneration including Sitting Fees & Commission, for the financial year 2024-25.

- 15.2** The percentage increase in the median remuneration of employees in the financial year: 11.66%
- 15.3** The number of permanent employees on the rolls of company as on March 31, 2025: 2,488.
- 15.4** Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year is in the range of 9 to 11 %. Percentage increase in the managerial remuneration in the last financial year: (35.58%).
There was no increase in the managerial remuneration compared to the previous year. With respect to the Managerial Personnel, variable component is paid in the form of incentive, as per the remuneration policy of the Company and based on the financial and non-financial parameters and based on their individual performance and the performance of the Company. The Board at its meeting dated May 15, 2025, approved the commission to be paid to Independent Directors as INR 36.75 lakhs to Mr. Mahesh Chhabria, INR 26.25 lakhs to Ms. Amrita Verma Chowdhury, INR 26.25 lakhs Ms. Rashmi Urdhwaresh and INR 22.58 lakhs to Mr. Neeraj Sagar respectively.
- 15.5** The key parameters for any variable component of remuneration availed by the Directors: Independent Directors have been paid sitting fees for attending meetings of the Board and Committees and paid a profit related commission, but not exceeding 1% of the net profit of the Company for the financial year. However, variable component is paid in the form of incentive, as per the Remuneration Policy of the Company and based on the financial and non-financial parameters, to Mr. P. Kaniappan, Managing Director.
- 15.6** The remuneration of Directors and employees are as per the remuneration policy of the Company.
- 15.7** The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, this report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

16. CORPORATE GOVERNANCE

The Company has complied with the provisions of the Listing Regulations concerning corporate governance and a report to this effect is attached, as required by Under Schedule V of the Listing Regulation. The certificate issued by the auditors of the Company

regarding compliance with the corporate governance requirements is also annexed to this report. The Managing Director (CEO) and the Chief Financial Officer (CFO) of the Company have certified to the board on financial statements and other matters in accordance with Regulation 17(8) of the Listing Regulations pertaining to CEO / CFO certification for the financial year ended March 31, 2025. Further, applicable Secretarial Standards issued by the Institute of Company Secretaries of India have been complied with. The Management Discussion and Analysis Report, as required by the Listing Regulation and various disclosures required under the Act is also attached and forms part of this report.

17. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has a structured familiarisation program for Independent Directors of the Company which also extends to other Non-Executive Directors to ensure that Directors are familiarised with their function, role, rights, responsibilities, and the nature of the Company Business viz., automotive component industry and ZF global business model, etc. The Board of Directors has complete access to the information within the Company. Presentations are made to the Board of Directors at all the Meetings and all Committees of the Board on various matters, where Directors get an opportunity to interact with Senior Management. Presentations, inter alia, cover the Company's strategy, business model, operations, markets, organisation structure, product offerings, finance, risk management framework, quarterly and annual results, human resources, technology, quality, and such other areas as may arise from time to time.

The Company also issues appointment letters to the Independent Directors which also incorporates their role, duties and responsibilities. Further, regulatory updates on regulatory changes are also periodically placed before the Board. The details of familiarisation programme have been hosted in the web site of the Company under the weblink [ZF CV India Investor Relations](#)

18. OTHER PARTICULARS

- The Company has not accepted any deposits from the public within the meaning of Sections 76 of the Companies Act, 2013 for the year ended March 31, 2025.
- There are no significant and material orders passed by regulators or courts or tribunals, which would impact the going concern status of the Company and its future operations.
- The Company does not have any associate or joint venture during the financial year

2024-25, apart from one wholly owned subsidiary incorporated in the financial year 2021-22.

- There was no Company which has become or ceased to be Company's subsidiary, Joint venture or associate during the financial year 2024-25.
- The Company has not raised any funds during the year.
- The Company has not taken any loan during the year and neither there are any outstanding loans as on March 31, 2025. Hence there were no instances of any one-time settlement, nor any valuation done in this regard.
- The Company neither filed an application during the year under review nor there are any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016 as of March 31, 2025.
- The Company has not transferred any amount to general reserves during the year ended March 31, 2025.
- There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year March 31, 2025 and at the date of this report.
- Disclosure Under THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013: The Company has adopted the Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. In compliance with the provisions under Section 4 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, Internal Complaints

Committee (ICC) of the Company has been constituted to redress complaints regarding sexual harassment. 2 Complaints were received and resolved during the year 2024-25 and there are no complaints pending for resolutions.

19. INTEGRATED REPORT

The Company has voluntarily provided Integrated Report, which encompasses both financial and non-financial information to enable the Members to take well-informed decisions and have a better understanding of the Company's long-term perspective. The Report also touches upon aspects such as organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial capital, intellectual capital, human capital, manufactured capital, social capital and natural capital.

Acknowledgement

The Directors thank the vehicle manufacturers, distributors, vendors and bankers for their continued support and assistance. The Directors gratefully acknowledge the support rendered by ZF Friedrichshafen AG. The Directors wish to place on record their appreciation of the excellent work done by employees of the Company at all levels during the year. The Directors specially thank the shareholders for the confidence reposed by them in the Company.

For and on behalf of the Board

Chennai
May 15, 2025

Sd/-
Akash Passey
Chairman
DIN: 01198068

ANNEXURE – 1

A. CONSERVATION OF ENERGY

1. Measures taken

- i) Implementation of Heat Pump for 10 washing machines instead of Electrical Heaters at Ambattur plant, resulting into Energy savings of 96K units/annum.
- ii) Assembly AHU-2 replaced with Electronic commuting blower which helped energy Savings of 37K units/annum.
- iii) AHU modified to increase efficiency of the system and seasonal control of temperature which reduced 20% energy consumption at Mahindra world city and saving of 210K units/annum.
- iv) Installed 500 KW Solar Power Plant at Jamshedpur to support 20% of power consumption.
- v) The coolant Pump replaced with Energy efficient pump at 32 machines; hence, energy savings 200K units/annum.
- vi) Idle time stop introduced in 23 CNC and PLC based machines at Mahindra World city and resulting savings of 45K KWH/year.
- vii) As per the report of Energy Study by IIT-Chennai, corrected Air leakages in the compressed air system which resulted energy savings of 325K KWH/year
- viii) Reduce Compressed Air consumption by balancing the Low & High Pressure and monitoring the Air Flow to reduce idle losses by that save energy 246K units/annum.
- ix) Reduce the climatic chamber consumption from 16 nos to 8 nos by implementing the new design fixture for aftermarket actuator climatic endurance 50% Consumption utilisation.

These measures resulted in substantial energy savings of about 11.58 lakhs units of power and cost resulting in INR 104.22 lakhs per annum.

2. Measures proposed

- i) Introduction of Induction based electrical vessels instead of diesel fired boiler in canteen at all the sites which will eliminate fossil fuel (Diesel) usage by that savings of 20% carbon reduction.
- ii) Installation of Roof top solar power plant at Lucknow and Pantnagar which supports 30% Power consumption for the respective plant.
- iii) Anodising plant rectifier modified from Thyristor to IGBT technology by that expected saving 10%

- iv) The coolant Pump replaced with Energy efficient pump at 50 machines by that energy savings 300K units/annum.
- v) Assembly AHU-3 replaced with electronic commuting blower by that energy Savings of 37K units/annum.
- vi) Implementation of Heat Pump for 10 washing machines instead of Electrical Heaters at Mahindra city plant, Energy savings of 96K units/annum.
- vii) Introduction of air energy efficient air blower instead of compressed air expected saving of 500K KWH/year.
- viii) Provide IGBT based controlled heaters for Impregnation plant to reduce energy consumption by 15% from exiting.
- ix) Optimisation of Makino A71 machine coolant chiller expected power saving by 15K unit/year.

These measures are expected to result in substantial energy savings of about 12.50 lakhs units of power & Cost INR 112.5 lakhs per annum.

B. Details relating to imported technology: (Technology imported during the last 3 years reckoned from the beginning of the financial year) – NIL

C. Expenditure on R & D

	INR in lakhs
Capital expenditure:	5,108.10
Recurring expenditure (including salaries)	8,513.68
	13,621.78

D. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption

- a. Developed new state-of-the-art Electronic Stability Control (ESC) track in Chennai which is a unique facility to rigorously test and release advance automotive braking technology like ESC system, meeting the highest safety standards.
- b. Major expansion done in Electronics & Electro-mechanics testing Lab, Hemi-anechoic chamber and High-Capacity compressor test facility for validating & released advanced products in the Automated, Connected & Electric (ACE) technology domains.
- c. Homologation done for 55 customer vehicle models covering various advanced braking

system including 5 features of Advanced Driver Assist System (ADAS).

- d. Developed Air Disc Brakes (ADB) for both front and rear axle foundation brakes to meet demanding requirement of EV buses and ADAS trucks.
- e. Released Hydraulic Electronic Stability Control System for multiple customers.
- f. Launched Inhouse & Indigenised Air Processing Unit with replaceable Cartridge.
- g. Localisation of Brake Signal Transmitter, Optidrive Automated Manual Transmission, Trailer ABS, Bus axles and Trailer Lift Axle Control System.
- h. Developed Electronic Controlled Air Suspension (ECAS) system in India.
- i. Horizontal deployment of electric compressors (eComp 2.0) for major EV customers.
- j. Developed Sustainable products like G-Silica & Sintered coupling for Vacuum pump.

2. Benefits derived

- a. Meeting current and upcoming regulations.
- b. Increased Domestic Value Addition (DVA) for optimising cost.
- c. Products with improved value to customers.
- d. Advanced features to enhance the vehicle safety.
- e. Increased market share with localised products with advanced features.
- f. Enhanced product performance and durability resulting in competitive advantage.
- g. Environment benefits and Sustainability.
- h. Indigenous development of test rigs and accessories for advanced products.
- i. Improved ride and handling performance.
- j. New business and increased market share.

E. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(INR in lakhs)
Foreign exchange inflow:	143,837.63
Foreign exchange outflow:	65,204.55

ANNEXURE – 2

Annual Report on CSR Activities for the year ended March 31, 2025

1. Brief outline on CSR policy of the Company

The Company focuses on CSR activities as specified in Schedule VII of the Companies Act, 2013 and accordingly the projects have been identified and recommended by the CSR Committee and approved by the Board. The projects have been implemented through the supervision of the internal executive committee and executed by the Company directly.

2. Composition of the CSR committee

The CSR committee was constituted as per the provisions of Section 135 of the Companies Act, 2013 read with the Rules made thereunder and comprises the following members as on March 31, 2025: -

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR committee held during the year	Number of meetings attended by the Director
1	Mr. P Kaniappan	Chairman (Managing Director)	Two	Two
2	Mr. Neeraj Sagar*	Member (Independent Director)	Two	Two
3	Ms. Amrita Verma Chowdhury	Member (Independent Director)	Two	Two

* Mr. Neeraj Sagar was appointed as a member of the Committee with effect from May 22, 2024.

3. The web-link where Composition of CSR committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the Company:

The Company has constituted CSR Committee and framed the CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is: [ZF CV India Investor Relations - ZF](#)

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014: NA

5. a) Average net profit of the Company as per section 135(5): **INR 38,901.62 lakhs**
- b) Two percent of the average net profit of the Company as per Section 135(5): **INR 778.03 lakhs**
- c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – **NA**
- d) Amount required to be set off for the financial year, if any: **INR 9.64 lakhs**
- e) Total CSR obligation for the financial year (5b+5c-5d): **INR 768.39 lakhs**
6. (a) Amount spent on CSR Projects (Only other than ongoing projects): **INR 769.13 lakhs**
- (b) Amount spent on administrative overheads: **INR 25.90 lakhs**
- (c) Amount spent on impact assessment, if applicable: **NIL**
- (d) Total amount spent for the financial year (6a+6b+6c): **INR 795.03 lakhs**
- (e) CSR amount spent or unspent for the financial year: -

Total amount spent for the financial year	Amount unspent (in INR lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
795.03	NA		NA		

(i) Details of CSR amount spent against ongoing projects for the financial year (In INR lakhs)

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project.	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of implementation - Direct (Yes/No)	Mode of implementation - through implementing agency	
										Name	CSR Registration Number
NA											

(ii) Details of CSR amount spent against other than ongoing projects for the financial year: (In INR lakhs)

Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project Name	Amount spent for the projects/ programs CSR Registration Number	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency
1	Installation of solar street lights and high mast lights						
a.	Solar street lights (Double arm) at Ambattur & Avadi	Item (iv) environmental sustainability	Yes	Chennai	26.85	Yes	NA
b.	Solar based Traffic signals and High mast Light at Barabanki	Item (iv) environmental sustainability	Yes	Lucknow	9.67	Yes	NA
c.	Solar Street Lights (Single arm) Alinjivakkam to Poovalli kuppam village	Item (iv) environmental sustainability	Yes	Chennai	22.37	Yes	NA
d.	Annual Maintenance Charges for Solar based street lights and Solar based high mast light	Item (iv) environmental sustainability	Yes	PAN INDIA	2.10	Yes	NA
e.	Solar high mast lights at Ambattur area	Item (iv) environmental sustainability	Yes	Chennai	21.77	Yes	NA
2	Infrastructure support to Educational Institutions						
a.	Supply of Classroom Tables and Bench to Government Inter College at Barabanki	Item (ii) promoting education including special education	Yes	Lucknow	10.34	Yes	NA
b.	Construction of Kitchen facility for mid day meal at Govt. Middle School, Uperbera	Item (ii) promoting education including special education	Yes	Jamshedpur	11.18	Yes	NA
c.	Supply of Class Room Study Table and Bench to Government Inter College at Barabanki	Item (ii) promoting education including special education	Yes	Lucknow	20.67	Yes	NA
d.	Periodic maintenance of Toilets (Athipet School, Mahila Thana, Police line school & Jamshedpur school)	Item (i) Sanitation	Yes	Chennai, Lucknow, Jamshedpur	0.10	Yes	NA
e.	Physics, Chemistry and Computer labs constructed by the Company at Govt. Polytechnic Harakh, Barabanki	Item (ii) promoting education including special education	Yes	Lucknow	19.85	Yes	NA
f.	Contribution of laptops to the underprivileged students to support educational advancement	Item (ii) promoting education including special education	Yes	Chennai	6.06	Yes	NA
3	Installation of Solar traffic signal and blinker lights						
a.	Solar traffic signal (4-way) at Gamharia main road	Item (iv) environmental sustainability	Yes	Jamshedpur	57.12	Yes	NA
b.	Solar traffic signal (3-way) at Gamharia main road	Item (iv) environmental sustainability	Yes	Jamshedpur	24.98	Yes	NA
c.	Solar traffic signal at Ambattur & Avadi area	Item (iv) environmental sustainability	Yes	Chennai	9.76	Yes	NA
4	Infrastructure development and supply of medical equipment to Medical College/Hospital						
a.	Medical Equipment support for 4 Urban Primary Health cares of Zone 7, Ambattur	Item (i) promoting health care including preventive health care	Yes	Chennai	17.88	Yes	NA

Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project Name	Amount spent for the projects/ programs CSR Registration Number	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency
	b. Upgradation of Operation Theatre and installation of X-Ray Machine at Perambakkam Primary Health care	Item (i) promoting health care including preventive health care	Yes	Chennai	27.20	Yes	NA
	c. Annual Maintenance Charges for O2 Plant	Item (i) promoting health care including preventive health care	Yes	Chennai	5.66	Yes	NA
	d. Drinking Water Facility at Uperbera Village with overhead tank with solar operated motor	Item (i) making available safe drinking water	Yes	Jamshedpur	7.30	Yes	NA
	e. Installation of Solar Power System at 7 Primary Health cares at Chengalpattu District	Item (i) promoting health care including preventive health care	Yes	Chennai	37.10	Yes	NA
5	Construction of Road and Road Safety Awareness programs for drivers and technicians						
	a. Construction of Rural Road from Mappedu to Hussain Nagar	Item (iv) environmental sustainability	Yes	Chennai	128.95	Yes	NA
	b. Training to trainer/technicians/drivers at STUs & Transport Nagar	Item (ii) employment enhancing vocation skills	Yes	PAN INDIA	9.58	Yes	NA
	c. Road Safety working models 3 nos. servicing (changing hoses and electrical connections etc.,)	Item (ii) employment enhancing vocation skills	Yes	PAN INDIA	1.00	Yes	NA
	d. TSC equipment to STUs regional workshop	Item (ii) employment enhancing vocation skills	Yes	PAN INDIA	8.64	Yes	NA
	e. Braking system working model to Driver Training Institute of STUs	Item (ii) employment enhancing vocation skills	Yes	PAN INDIA	79.03	Yes	NA
6	Construction of Football Ground and Ecology Restoration						
	a. Renovation of Football Ground & Stage at Uperbera Village	Item (iv) environmental sustainability	Yes	Jamshedpur	2.27	Yes	NA
	b. Tree plantation around football ground at Uperbera	Item (iv) environmental sustainability	Yes	Jamshedpur	1.70	Yes	NA
7	Expenditure incurred on Skill Development	Item (ii) employment enhancing vocation skills	Yes	Chennai	200.00	Yes	NA
Total					769.13		

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

Sl. No	Particulars	Amount (in INR)
(i)	Two percent of average net profit of the Company as per section 135(5)	768.39 lakhs*
(ii)	Total amount spent for the financial year	795.03 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	26.64 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)+(iv)]	26.64 lakhs

* Net of excess contribution from previous years set-off in the current financial year.

7. A. Details of unspent CSR amount for the preceding three financial years

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under section 135 (6)	Balance Amount in Unspent CSR Account under subsection (6) of section 135	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding financial years. (in INR)	Deficiency, if any
					Amount	Date of transfer		
1	FY 2022-23	INR 124.19 lakhs	INR 50.35 lakhs	INR 50.35 lakhs	NA		NIL	NIL
2	FY 2023-24	INR 59.00 lakhs	INR 59.00 lakhs	INR 59.00 lakhs	NA		NIL	NIL

B. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(i) Ongoing Projects of the preceding financial year 2023-24 (INR in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent for the project at the beginning of the financial year (FY 23-24)	Amount spent on the project in the reporting Year (FY 24-25)	Cumulative amount spent at the end of reporting Year	Status of the project- Complete/ Ongoing
1	Construction and Infrastructure development of Activity hall, library & computer lab for Kasturba Gandhi Balika Awaseey Vidhyalaya	FY 2023-24	3 Years	59.00	-	59.00	59.00	Completed
				59.00	-	59.00	59.00	

(ii) Ongoing Projects of the preceding financial year 2022-23 (INR in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent for the project at the beginning of the financial year (FY 2023-24)	Amount spent on the project in the reporting Year (FY 2024-25)	Cumulative amount spent at the end of reporting Year	Status of the project- Completed / Ongoing
1	Creating and maintaining - greenery by planting trees, - restoration of water bodies, - Installation of solar lights, etc	FY 2022-23	3 Years	105.90	58.58	47.32	105.90	Completed
2	Health care support to Govt hospitals - Supply of medical equipment's and AMC for maintenance of O2 plant	FY 2022-23	3 Years	26.52	23.50	3.03	26.52	Completed
				132.42	82.07	50.35	132.42	

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: Not Applicable

9. Reasons if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

As a responsible corporate citizen, the Company engages in social responsibility and community development activities. The Company views CSR as a powerful opportunity to create a positive impact for the future by working together with communities, Governments and local bodies to deliver qualitative social improvement.

The Company has allocated CSR budget of INR 778.03 lakhs for various projects within the items listed in Schedule VII of the Companies Act, 2013, which includes several initiatives under Environment & Sustainability, Health & Safety, Skill Development and Community Support. Against the budget allocation of INR 778.03 lakhs, an expenditure of INR 795.03 lakhs. has been incurred during the financial year.

This year, the activities were conducted through internal engagement of employees and resources, (without engaging an implementing agency for CSR projects), primarily focused on activities which would help the needy sections of the society as specified in Schedule VII of the Companies Act, 2013 and the Company's CSR policy with specific focus towards areas surrounding the Company's plant locations.

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Chennai
May 15, 2025

Akash Passey
Chairman
DIN: 01198068

P Kaniappan
Managing Director & Chairman of CSR Committee
DIN: 02696192

ANNEXURE – 3

FORM NO. AOC – 1

Statement containing salient features of the financial statement of Subsidiaries / associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part “A” Subsidiaries

(Information in respect of each subsidiary to be presented with amounts INR in lakhs)

Name of the Subsidiary : M/s ZF CV Control Systems Manufacturing India Private Limited

(INR in Lakhs)

Sl. No.	Particulars	
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2024 to March 31, 2025
2.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
3.	Share capital	100
4.	Reserves & surplus	376.72
5.	Total assets	3,442.97
6.	Total liabilities	3,442.97
7.	Investments	NIL
8.	Turnover	3,314.3
9.	Profit before taxation	253.2
10.	Provision for taxation	45.01
11.	Profit after taxation	208.19
12.	Proposed Dividend	NIL
13.	% of shareholding*	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - **Nil**
- Names of subsidiaries which have been liquidated or sold during the year - **Nil**

* Holding more than 5% shares in the Company.

Part “B” Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

- There is no associate or joint venture which is yet to commence operations.
- There is no associate or joint venture which have been liquidated or sold during the year.

ANNEXURE – 4

Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

- Details of contracts or arrangements or transactions not at arm's length basis: Nil
- Details of material contracts or arrangement or transactions at arm's length basis.

(INR in lakhs)

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date of approval by the Shareholders (Postal Ballot)*	Amount (FY 2024-25)
ZF CV Systems Global GmbH	Purchase of goods and property, plant and equipment	April 01, 2024 to March 31, 2025	Markup on cost of raw materials, conversion cost	March 09, 2024	10,329.37
	Sales of Automotive Components	April 01, 2024 to March 31, 2025	Markup on cost of raw materials, conversion cost	March 09, 2024	87,619.98
	Rendering of Services	April 01, 2024 to March 31, 2025	Mark-up on cost of salary, rent	March 09, 2024	39,812.61
	Receipt of services - License Fee	April 01, 2024 to March 31, 2025	4% on Digital subscription sales	March 09, 2024	140.46
				Total	137,902.42

*Prior approval of the shareholders was obtained for the material related party transactions as required under regulation 23 of SEBI (LODR) Regulations 2015.

Note: There is no advance amount paid.

Net sales: Total product sales less inter-company sales and inter-company purchases.

ANNEXURE – 5

Form No. MR-3

Secretarial Audit Report

for the financial year ended 31st March 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of

ZF Commercial Vehicle Control Systems India Limited

[CIN: L34103TN2004PLC054667]

Plot No.3 (SP), III Main Road, Ambattur Industrial Estate,
Chennai – 600 058.

We have conducted a **Secretarial Audit** on compliance with applicable statutory provisions and adherence to good corporate practices by **ZF Commercial Vehicle Control Systems India Limited** (*'the Company'*) during the financial year from **1st April 2024 to 31st March 2025** (*'the year' / 'the financial year' / 'audit period' / 'the period under review'*). The audit was conducted in a manner that provided a reasonable basis for evaluation of the Company's corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our **verification** of the books, papers, Minutes Book and other documents / records maintained by the Company, forms and returns filed with various statutory / regulatory authorities, information disseminated on the website of the Company and the stock exchanges on which its securities are listed, and other relevant documents / information;
- (ii) Compliance report on compliance with applicable statutory provisions submitted by the key managerial personnel and reviewed and noted by the Board of Directors;
- (iii) Information, explanation and representations provided by the Compliance officer and compliance related action taken by the Company during the year and also after the end of the year but before the issue of this audit report.

We hereby report that, in our opinion and to the best of our knowledge, the Company has **complied with the statutory provisions** listed hereunder and has proper Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter, during the audit period covering the financial year from 1st April 2024 to 31st March 2025.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure – I.

1. Compliance with specific statutory provisions

- 1.1** We have examined the books, papers, Minute books and other records maintained by the Company, and forms, returns, reports, disclosures and information filed / submitted / disseminated during the year in accordance with the applicable provisions of the Acts, Rules, Regulations, Agreements and Standards set-out in Clause 1.3 hereunder.
- 1.2** Based on such examination and also considering compliance related action taken by the Company after the end of the year but before the issue of this audit report, we report that, to the best of our knowledge and belief, the Company's compliance with the said applicable provisions is as set-out in Clause 1.3 hereunder.
- 1.3** The Company has **generally complied** with applicable provisions of the following Acts, Rules, Regulations, Agreements and Standards:
 - (a) The Companies Act, 2013, and the Rules made thereunder;
 - (b) The Securities Contracts (Regulation) Act, 1956, and the Rules made thereunder;
 - (c) The Depositories Act, 1996, and the Regulations made thereunder, to the extent applicable to listed securities issued by the Company;
 - (d) The Foreign Exchange Management Act, 1999, and the Rules and Regulations made thereunder, to the extent applicable to Foreign Direct Investment;
 - (e) The following regulations made under the Securities and Exchange Board of India (SEBI) Act, 1992:
 - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (ii) SEBI (Prohibition of Insider Trading) Regulations, 2015;

- (iii) SEBI (Substantial acquisition of shares and Takeovers) Regulations, 2011;
- (f) Listing agreements entered into with the stock exchanges viz; BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in relation to listing of its Equity shares;
- (g) Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI) viz; SS-1 on Meeting of Board of Directors and SS-2 on General Meetings (applicable to General meetings including postal ballot process);
- (h) The following laws specifically applicable to the certain units of the Company:
 - (i) The Special Economic Zones Act, 2005 (SEZ) and the rules made thereunder, applicable to its manufacturing units located in Special Economic Zones; and
 - (ii) The Software Technology Parks (STP) Scheme, based on Foreign Trade Policy of the Government of India, Ministry of Commerce, applicable to its unit located in STP (upto 28th March 2025).

1.4 We noted that, the Company was not required to comply with the following Acts, Rules, Regulations and Standards during the year:

- (a) The Foreign Exchange Management Act, 1999, and the Rules and Regulations made thereunder, to the extent of Overseas Direct Investment and External Commercial Borrowings. Reporting on compliance with Downstream Investment, being an indirect investment, has not been considered as coming within the purview of this Report;
- (b) The following SEBI Regulations (which were not applicable):
 - (i) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (ii) SEBI (Buy-back of Securities) Regulations, 2018;
 - (iii) SEBI (Issue and listing of Non-convertible Securities) Regulations, 2021;
 - (iv) SEBI (Share based employee benefits and Sweat Equity) Regulations, 2021;
 - (v) SEBI (Delisting of Equity shares) Regulations, 2021;
 - (vi) SEBI (Registrars to an Issue and Share transfer agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with client;
- (c) The following Secretarial Standards (SS) issued by the ICSI, being non-mandatory:

- (i) Secretarial Standards – 3 (SS-3) on Dividend;
- (ii) Secretarial Standards – 4 (SS-4) on Report of the Board of Directors.

2. Constitution of the Board and Board processes

We further report as follows:

2.1 The composition of the Board of Directors of the Company during the year, was in compliance with the applicable provisions of the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

2.2 The Board of Directors was constituted with 7 (seven) Directors as at 31st March 2024, comprising of:

- (i) 1 (one) Non-Executive Independent Director designated as Chairman[#];
- (ii) 1 (one) Executive Director designated as Managing Director;
- (iii) 2 (two) Non-Executive Non-Independent Directors; and
- (iv) 3 (three) Non-Executive Independent Directors including 2 (two) Independent women directors.

[#] retired with effect from close of business hours on 31st March 2024.

2.3 During the year, 2 (two) Directors, 1 (one) Non-Executive Non-Independent Director designated as Chairman of the Board and 1 (one) Non-Executive Independent Director, were appointed on 22nd May 2024, as detailed in paragraph 2.5 below.

2.4 Accordingly, the Board of Directors stands constituted with 8 (eight) Directors as at the end of the year, comprising of:

- (i) 1 (one) Non-Executive Non-Independent Director designated as Chairman;
- (ii) 1 (one) Executive Director designated as Managing Director;
- (iii) 2 (two) Non-Executive Non-Independent Directors; and
- (iv) 4 (four) Non-Executive Independent Directors, including 2 (two) Independent women directors.

2.5 The process relating to the following changes in the composition of the Board of Directors during the year, were carried out in compliance with the applicable provisions of the Act and LODR:

- (a) **Retirement of Mr. M Lakshminarayan** (DIN: 00064750), Independent Director (and consequently as Chairman of the Board) with effect from close of business hours on **31st March 2024**, on conclusion of his second consecutive term on that date.

- (b) **Re-appointment of Dr. Christian Oliver Brenneke** (DIN: 08344547), Non-Executive Non-Independent Director, upon retirement by rotation at the 20th Annual General Meeting held on **22nd July 2024** (hereinafter referred to as 'the 20th AGM').
- (c) **Appointment of Mr. Akash Passey** (DIN: 01198068) who was appointed as an Additional Director, Non-Executive Non-Independent, and as Chairman of the Board, by the Board of Directors, with effect from **22nd May 2024**, as a Non-Executive Non-Independent Director liable to retire by rotation, at the 20th AGM.
- (d) **Appointment of Mr. Neeraj Sagar** (DIN: 09475452) who was appointed as an Additional Director in the designation of Non-Executive Independent Director by the Board of Directors with effect from **22nd May 2024** as a Director in the designation of Non-Executive Independent Director at the 20th AGM and approval of his appointment as an Independent Director, not liable to retire by rotation, for a term of 5 (five) consecutive years from **22nd May 2024** to **21st May 2029**, at the said AGM, by way of special resolution.
- (e) **Re-appointment of Mr. P Kaniappan** (DIN: 02696192) as Managing Director, whose term of appointment was earlier approved upto **31st December 2024**, through the 6th postal ballot process on **9th March 2024**, for a further term of 6 (six) months from **1st January 2025** to **30th June 2025**, which was approved by the members through the 7th postal ballot process concluded on **21st December 2024**, results of which were declared at the proceedings held on **24th December 2024**.
- (f) Approval at the Board meeting held on 6th February 2025, for appointment of **Mr. Paramjit Singh Chadha** (DIN: 06972549) as an Additional Director with effect from **1st July 2025**, and as Managing Director for a term of two and half years from **1st July, 2025** to **31st December 2027** (both days inclusive), subject to approval of the members in terms of applicable provisions of the Act and Regulation 17(1C) of LODR.

2.6 We noted that, adequate notice was given to the Directors to plan their schedule for the Board meetings, and Notice of the Board meetings were sent at least 7 (seven) days in advance, other than for meetings convened at a shorter notice in terms of Section 173(3) of the Act.

2.7 We noted that, agenda and detailed notes on agenda in respect of Board meetings were sent to the Directors at least 7 (seven) days in advance, other than for meetings convened at a shorter notice, with the exception of the following items which were circulated separately either before or at the meeting, with requisite approval from the Board:

- (a) Supplementary agenda notes and annexures in respect of Unpublished Price Sensitive Information (UPSI) such as audited accounts / results, unaudited results and connected papers; and
- (b) Additional subjects / information / presentations and supplementary notes thereon.

2.8 We noted that, a system exists for the directors to seek and obtain further information and clarification on the agenda items before the meetings, and for their meaningful participation at the meetings.

2.9 We noted that, at the Board meetings held during the year:

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any Board member on any of the subject-matters discussed at the meetings, that were required to be captured and recorded as part of the Minutes.

3. Compliance mechanism

3.1 We have examined the compliance reports on applicable laws submitted to and reviewed by the Board, reporting by the Board in its Directors' Responsibility Statement, reporting by the Statutory Auditors in their quarterly reports and annual audit report, which provided a reasonable basis for reporting on the compliance mechanism.

3.2 Based on such examination, we report that, reasonably adequate systems and process are being adopted by the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, considering its size and operations, with scope for further improvement.

4. Specific events / actions

We report that, the following specific events / actions having a major bearing on the Company's affairs took place during the year, in accordance with the laws, rules, regulations, guidelines, agreements and standards referred to hereinabove.

4.1 Sale of shares by holding company

Sale by WABCO Asia Private Limited, Singapore, Promoter and holding company (WABCO Asia), of an

aggregate of 2,245,000 shares [1,425,000 shares on 19th June 2024 and 820,000 shares on 27th November 2024], through on-market block trade mechanism of National Stock Exchange of India Limited (NSE), consequent to which **the shareholding of WABCO Asia** in the Company has **reduced from** 14,225,684 Equity shares of INR 5/- each, fully paid-up (amounting to **75%** of the paid-up share capital of the Company) to 11,980,684 Equity shares of INR 5/- each, fully paid-up (amounting **to 63.16%** of the paid-up share capital of the Company).

4.2 Approval of material related party transactions

Prior approval for material related party transactions that may be entered into by the Company (including transactions that may be entered into by its wholly-owned subsidiary) **with ZF CV Systems Global GmbH** (formerly WABCO Global GmbH), **Switzerland**, for an aggregate value **upto INR 2,500 crores** (Rupees Two thousand five hundred Crores only) during the financial year from 1st April 2025 to 31st March 2026 (including material modifications that may arise thereto), in terms of Regulation 23(4) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, by way of an ordinary resolution passed through the 8th postal ballot

process concluded on 22nd March 2025, results of which were declared at the proceedings held on 24th March 2025.

4.3 Exit Approval from Software Technology Parks of India (STPI)

Approval from Software Technology Parks of India, Ministry of Electronics & Information Technology, Government of India, through letter dated 28th March 2025, for final exit from the Software Technology Park (STP) Scheme as per the foreign trade policy, in respect of the Company's STPI unit which was located at 2nd Floor, Unit No.202, RMZ Infinity, MCLP 1 Block, Phase – 1, Campus 10, Mount Poonamallee Road, Porur, Chennai – 600 116.

For Sriram Krishnamurthy & Co.,

(formerly known as S. Krishnamurthy & Co.)

Company Secretaries

[Firm Unique Identification Number: P1994TN045300]

[Peer Review Certificate No.6684/2025]

Sharanya Sriram

Partner (Membership No.F10252)

Place: Chennai

C.P. No.12731

Date: 15th May 2025

UDIN: F010252G000351221

Annexure – I to the Secretarial Audit Report

Our Secretarial Audit Report (Form MR-3) of even date for the **financial year ended 31st March 2025** is to be read along with this letter.

To,
The Members of
ZF Commercial Vehicle Control Systems India Limited
[CIN: L34103TN2004PLC054667]
Plot No.3 (SP), III Main Road, Ambattur Industrial Estate,
Chennai – 600 058.

1. Responsibility of the Management:

The Company's management is responsible for maintenance of secretarial records, making the requisite statutory / regulatory disclosures / filings and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards.

2. Auditors' responsibility:

Our responsibility as the Secretarial Auditors is to express an opinion on the compliance with the applicable laws and maintenance of records based on our audit.

3. The audit was conducted in accordance with applicable standards issued by The Institute of Company Secretaries of India. Those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
4. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
5. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2025, but before the issue of this report.
6. We have considered compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law, wherever there was scope for multiple interpretations.

7. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
8. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Companies Act, 2013.
9. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
10. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
11. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some mis-statements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

For Sriram Krishnamurthy & Co.,

(formerly known as S. Krishnamurthy & Co.)

Company Secretaries

[Firm Unique Identification Number: P1994TN045300]

[Peer Review Certificate No.6684/2025]

Sharanya Sriram

Partner (Membership No.F10252)

Place: Chennai

C.P. No.12731

Date: 15th May 2025

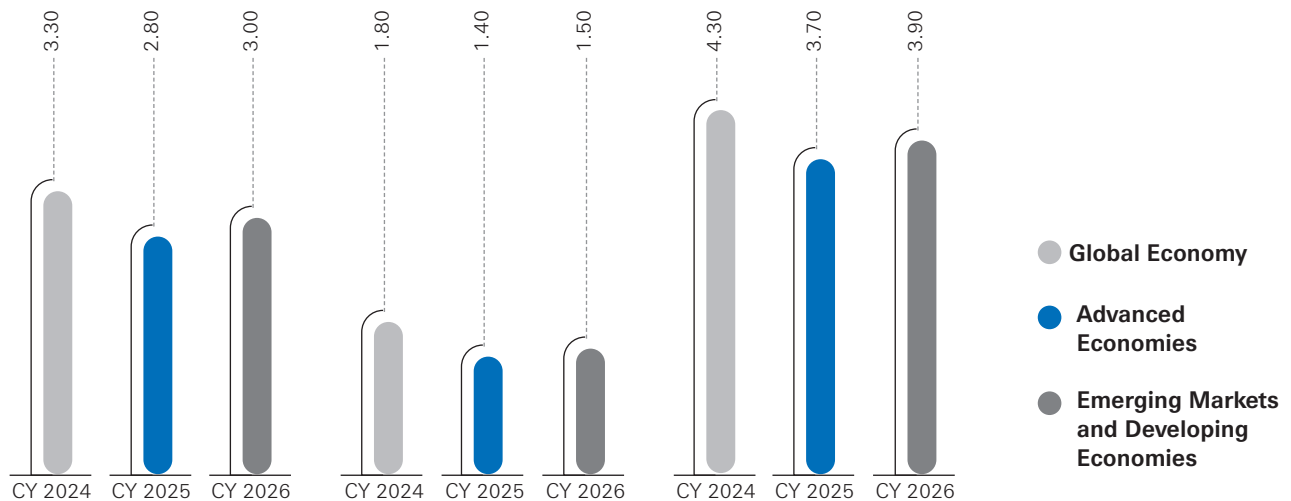
UDIN: F010252G000351221

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ZF Commercial Vehicle Control Systems India Ltd ("the Company") provides its customers with solutions that shape the future of mobility in commercial vehicle transportation. Our technologies and services for commercial vehicles and fleets make them more efficient, safe, connected, intelligent, and automated, wherever they operate. We partner with our clients to deliver integrated, innovative solutions that positively impact every stage of a vehicle's lifecycle, - from design to decommissioning. With the broadest range of offerings in key domains such as Automated Driving, Electric Mobility, Connected Mobility, and Digitalization, the Company is Redefining India's Mobility. Our local teams and partners are close to the customers, enabling real-time communication between trucks and trailers. Backed by extensive data from onboard systems, we provide real-time information and insights to optimize fleet operations and meet the evolving requirements of commercial vehicles.

GDP Growth Trend

(in %)



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025>)

Outlook

As global economic uncertainty persists, international trade is undergoing a profound transformation shaped by both strategic alliances and escalating geopolitical tensions. Agreements like the Regional Comprehensive Economic Partnership (RCEP) and evolving European Union trade policies are driving stronger economic integration and enhancing supply chain resilience across the Asia-Pacific and beyond. At the same time, the outlook for global commerce is clouded by critical challenges. The deepening rare earth crisis is threatening key technological supply chains, while tariff disputes, especially between the United States and China, continue to disrupt trade flows and

I. Economic Overview

i. Global economy:

The global economy in the year 2025 continues to demonstrate cautious resilience against a backdrop of mounting complexity in the macroeconomic landscape. According to the April 2025 edition of the International Monetary Fund's (IMF) World Economic Outlook, global GDP growth is projected to ease to 2.8% in 2025, down from 3.3% in 2024. While this represents a slowdown from pre-pandemic growth norms, it signals a period of restrained expansion rather than a downturn.

This moderated growth trajectory is influenced by a combination of persistent global trade tensions, heightened policy uncertainty across key economies, and softening consumer confidence - particularly within developed markets. Nevertheless, the global economy is exhibiting signs of steady adaptation to deeper, long-term structural transitions, maintaining a baseline of stability despite prevailing headwinds.

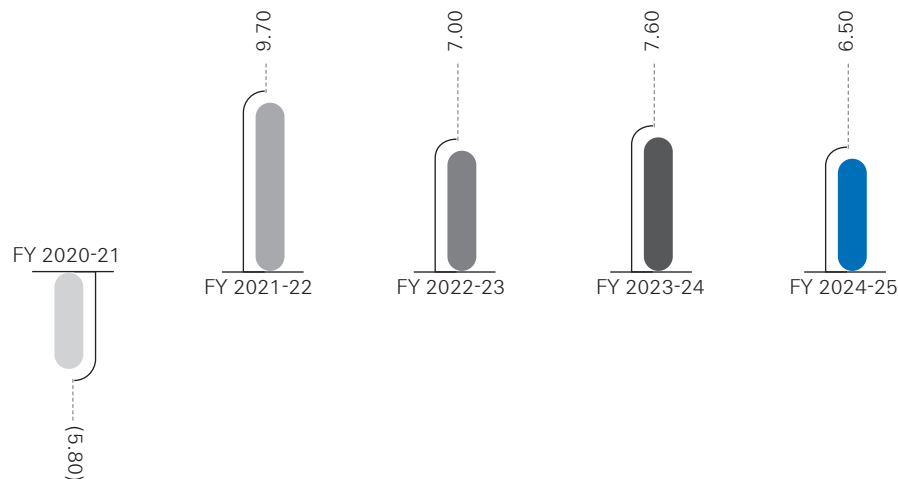
fuel uncertainty for businesses worldwide. Geopolitical instability, particularly in the Middle East, is adding further strain. Disruptions in vital shipping corridors such as the Red Sea are increasing transportation and energy costs, compounding risks for global supply networks. In response, governments are ramping up efforts to diversify trade partnerships, secure essential raw materials, and invest in greener, more sustainable infrastructure. Looking forward, the future of global trade will hinge on how effectively nations can manage rising protectionism, navigate geopolitical flashpoints, and reduce dependency on vulnerable supply chains in an increasingly interconnected and volatile world.

ii. Indian economy:

India's real GDP was placed a strong growth rate at 6.5% in FY 2024–25, underscoring the resilience and dynamism of its economic fundamentals. Despite a challenging global environment marked by persistent trade tensions and tariff-related disruptions, the Indian economy remains firmly on course. Its capacity to absorb external shocks while sustaining growth momentum reflects the adaptability and strategic orientation of its policy framework.

Indian Economy Real GDP Growth Rate

(in %)



India's services sector remains fundamental to economic expansion, poised to grow by a robust 7.2% in FY 2024–25. This momentum is fueled by vibrant activity across financial services, healthcare, hospitality, and public administration. A revival in consumer sentiment and the continued rise of domestic tourism are injecting fresh energy into key service segments.

On the industrial front, manufacturing growth is set to ease to 6.2% in FY 2024–25, following an impressive 9.5% surge the previous year. Still, sectoral indicators signal underlying strength. The Manufacturing Purchasing Managers' Index (PMI) climbed to 58.4 in June 2025, the highest reading since April 2024, signaling buoyant manufacturing activity. Notably, capital goods and consumer durables led the charge, supported by rising investments and growing global appetite for Indian exports. These shifts point to a manufacturing sector that is not only resilient but steadily evolving into a more diversified and globally competitive force.

Additionally, India's Consumer Price Index (CPI) averaged 4.6% in FY 2024–25, the lowest annual inflation reading since FY 2018–19, a clear sign of easing price pressures after several years of elevated inflation. This downward shift comes on the heels of prolonged global supply chain disruptions between CY 2021 and CY 2023, during which inflation consistently overshoot the Reserve Bank of India's target range.

agenda aimed at positioning the country as a fully developed economy by the 100th year of independence. Central to this vision is the ambitious goal of becoming a \$30-trillion economy by 2047, powered by inclusive growth, rapid technological innovation, and large-scale infrastructure development.

The projected GDP growth of 6.5% for both FY 2025–26 and FY 2026–27 reflects continued macroeconomic resilience and policy stability. This growth is underpinned by strong domestic demand, accelerating digital transformation, and ongoing structural reforms. Favourable demographics, rising formalisation of the economy, and a thriving digital ecosystem further enhance India's medium-term prospects.

Strategic investments in capital expenditure - combined with targeted reforms in logistics, taxation, and financial inclusion - are laying the foundation for productivity-led expansion. These factors are expected to fuel a virtuous cycle of consumption, investment, and job creation, ultimately elevating living standards and strengthening India's global competitiveness.

II. Industry Structure & Developments

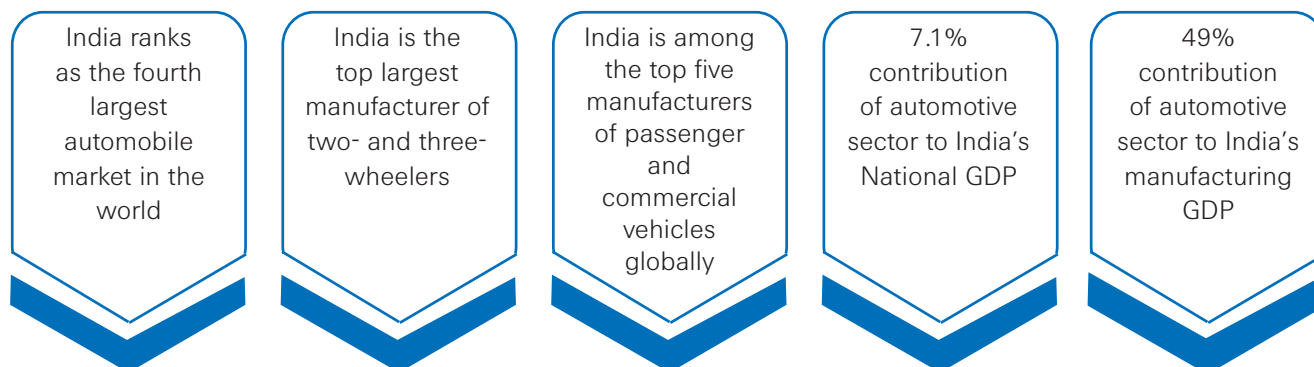
i. Indian Automotive Industry

The Indian automobile industry has emerged as a key pillar of the nation's industrial growth and economic progress. Its transformation gained momentum in 1991, when the sector was de-licensed and allowed 100% Foreign Direct Investment (FDI) via the automatic route—a game-changing reform that opened the doors for global automotive giants and accelerated the evolution of domestic manufacturing ecosystems.

Outlook

India's economic trajectory remains closely aligned with its long-term vision, Viksit Bharat @2047, a transformative

Since then, the industry has scaled new heights in both capacity and capability. Today, India stands as the world's fourth-largest automobile market, surpassing several established economies in terms of vehicle sales and production output. It is a global frontrunner in two- and three-wheeler production and ranks among the top five manufacturers of passenger and commercial vehicles. With a contribution of approximately 7.1% to national GDP, the automotive sector plays a pivotal role in powering India's economic engine and industrial ambition.



Segment-wise Automobile Performance in India in FY 2024-25

Category	Production			Domestic Sales			Exports		
	FY 2024-25	FY 2023-24	% Change	FY 2024-25	FY 2023-24	% Change	FY 2024-25	FY 2023-24	% Change
Passenger Vehicles	50,61,164	49,01,840	3.25	43,01,848	42,18,750	1.97	7,70,364	6,72,105	14.59
Commercial Vehicles	10,32,645	10,67,504	(3.26)	9,56,671	9,68,770	(1.25)	80,986	65,818	23.00
Three-Wheelers	10,50,020	9,96,159	5.41	7,41,420	6,94,801	6.70	3,06,914	2,99,977	2.31

(Source: <https://www.siam.in/statistics.aspx?mpgid=8&pgidtrail=15>)

ii. Indian Commercial Vehicle Industry:

Despite a strong GDP growth of 6.5% in FY25 and an overall automotive industry expansion of 6.5%, the Commercial Vehicle industry remained stagnant at - 0.2%. This flat performance is primarily attributed to election-related disruptions, adverse weather conditions, and delays in capital expenditure (CAPEX) spending. The Heavy Commercial Vehicle (HCV) segment was particularly impacted, experiencing a degrowth of 4%.

In near term, India's commercial vehicle sales are expected to near pre-pandemic levels of numbers, fueled by continuous infrastructure development, the increasing necessity for fleet replacement, and the supportive PM-eBus Sewa scheme. The Medium and Heavy Commercial Vehicle (M&HCV) segment, having witnessed a period of contraction, is expected to return to growth, largely propelled by ongoing Government investments in infrastructure, with a specific focus on construction, roads, and metro-rail projects.

Some of the trends that will drive the demand for commercial vehicles are:

- E-commerce will be a key driver for retail sales and is expected that about 25% of new sales will come through online channels (e-Commerce is expected to grow at a CAGR of 18% to reach USD 345 billion by FY 30 (Source IBEF)
- With CVs integrating telematics and fleet management systems for better tracking maintenance and efficiency, ZF Group's connectivity and digitalization solutions will have new opportunities and avenues for the industry
- New business models such as freight aggregators will create demand for commercial vehicles
- Rapid transitioning of Trailer industry from unorganized to organized sector with established players and a surge in Specialized Trailer types, including refrigerated units will have a positive impact
- STUs migrating from CAPEX model to PPP & GCC Models (18% as on 2023)
- Government incentives for Vehicle Scrappage, Green policies and the PM-eBus Sewa schemes all encourage replacement of older and polluting vehicles

- A well-thought-out vehicle scrappage policy with incentives will spur demand for commercial vehicles in the short term.
- The adoption of digital connectivity solutions will make fleets more efficient and cost-effective.

With more structural reforms underway in a stable economic environment with digital technology, the market is expected to regain the growth path. Some of the key technologies that will drive future trends include

- Alternate Fuel Systems
- Advance Driver Assistance Systems (ADAS)
- Collision Avoidance Warning System
- Lane Departure Warning Systems
- Electric Vehicles and EV Retrofits
- E Trailer
- Higher Horsepower Engines with Electronic Diesel-Controlled System
- Auxiliary Braking Systems like Electromagnetic Retarders, Hydraulic Retarders, and Intarder in Automatic Transmission
- Speed Monitoring and Control Systems
- SMART TACHO
- Vehicle Payload Monitoring Systems
- E-Sim-Enabled Vehicles, GPRS, and GPS-Related Technologies
- Vehicle Alarm System to Detect Irregular Driving Patterns
- Infotainment Systems, IT-Enabled Navigation, Vehicle Tracking, Vehicle Productivity Analysis
- Advanced Transmissions with Electronic Integrations such as Automated Manual Transmission and Other New Technologies
- Electronic Braking System (EBS)
- Air Suspensions for Bus, Trucks and Trailers

III Opportunities & Threats

The Indian Commercial Vehicle (CV) industry has undergone a transformative shift, commencing with the implementation of BS VI emission standards. This evolution is further amplified by the subsequent introduction of Phase 2 Real Driving Emissions (RDE) norms in April 2023, representing a substantial advancement for the automotive sector. By aligning with stringent European and American regulatory frameworks, these elevated standards establish a more equitable competitive landscape for both Original Equipment Manufacturers (OEMs)

and auto component suppliers. Consequently, this regulatory convergence unlocks enhanced opportunities for increased participation in the global export market, as vehicles produced domestically, and their underlying technologies will now conform to international benchmarks.

Driven by the Government's emphasis on safety, several key measures are being implemented by OEMs. These include the mandatory Electronic Stability Control (ESC) for buses and the recent draft notification mandating Advanced Driver Assistance Systems (ADAS) in M2 and M3 category buses, as well as N2 and N3 category trucks. Demand for Trailer Anti-lock Braking Systems (TABs) and Electronic Braking Systems (TEBS) in hazardous goods carriers indicate a growing prioritization of safety by customers within the automotive industry.

The Government's focus on sustainable mobility is driving increased adoption of transitional low-emission fuels like CNG and LNG, alongside zero-emission technologies including Battery Electric Vehicle (BEV), Fuel Cell Electric Vehicle (FCEV) & H2 Internal Combustion Engine (ICE). In CV Industry EV penetration is currently most prominent in the bus segment, primarily facilitated by their operation on fixed routes and schedules, enabling the establishment of dedicated charging infrastructure. Further accelerating this trend, the PM E-DRIVE scheme (Oct' 24 – Mar' 26), which is building upon the FAME initiative, is expected to significantly boost the adoption of EV buses, especially within State Transport Undertakings (STUs)

Apart from buses the similar trend is anticipated in the mining sector in near future, where the fixed operational routes within mine sites allow for the development of concentrated charging infrastructure.

The e-Light Commercial Vehicle (e-LCV) segment is also experiencing rapid growth, driven by robust B2B logistics upsurge. Increased model availability from major OEMs is contributing to this rise. Projections indicate a significant 15% market penetration for e-LCVs by 2030, highlighting the segment's strong growth potential.

Our refined strategic focus on the LCV segment recognizes its significant growth potential and evolving dynamics, presenting substantial opportunities to establish and solidify market leadership.

On the other side, manufacturers are developing a wider range of electric CV models to cater to different market needs. The emphasis is on improving battery range, reducing charging times, and lowering operational costs to make electric CVs more competitive. Collaboration between energy companies and fleet operators is also emerging to address charging infrastructure challenges. This combined push from government and private players holds promise for increasing EV penetration in the Indian CV market. The Company has worked together with the OEMs and newly launched e-mobility products like electric compressor, electronic braking system and electronically controlled air suspension, successfully across all the major EV players.

The development of enhanced infrastructure, notably the expansion of express highways, is generating increased demand for commercial vehicles equipped with higher capacity engines and higher gear ratios. This evolving operational landscape presents significant opportunities for the wider adoption of Automated Manual Transmission (AMT) systems within the heavy-duty vehicle segment. Moreover, the growing road network facilitates increase in penetration of Tractor trailer, and the recent regulatory approval for allowing vehicles up to 25.25m, the Road trains is anticipated to gain considerable traction in the near term. Consequently, these trends are expected to further influence vehicle specifications, particularly concerning advanced safety features and powertrain requirements, to meet the demands of higher speeds and longer hauls.

During the year, the Company took efforts to sustain and increase revenues through the introduction of new products for OEMs, fleets, and aftermarket thus creating an increase in vehicle content, better technology penetration, and foraying into new domains for commercial vehicle technology.

The Company also has worked with OEMs as their technological solutions partner to introduce technologies like Electronic Stability Control (ESC), Tire Pressure Monitoring System (TPMS), Trailer EBS, Advanced Air Processing Units among other technologies.

As a complete system solution provider, the Company now uniquely connects truck, trailer, cargo, drivers, business partners, and fleet operators in real-time to empower the fleets and significantly enhancing safety and operational

efficiency. Today the Company works with several OEMs in the country to reduce the Total Cost of Ownership (TCO) by recommending the right value enhancers and by providing improved uptime for the fleets through its Fleet Management Solutions.

The industry shift to better emission norms and upgrade of vehicle platforms have also presented numerous digitalization opportunities in the entire fleet ecosystem with huge potential to mobilize vehicle intelligence thereby providing deep meaningful insights on vehicle performance to the end user/fleet owner. These insights when utilized effectively have the potential to transform the user experience to a whole new level.

The Company also introduced numerous products through the aftermarket channel to enhance the safety and efficiency of fleets including air suspension with ECAS technology, tandem master cylinder, and clutch master cylinders. Additionally, the Company also increased its market share for Diesel Exhaust Fluid (DEF) and looks forward to the following strategic opportunities in the coming years.

- Partner with trailer customers for implementing 100% TABS, penetrating and expansion of Intelligent Trailer Program products and air disc brakes for trailers
- Close association with the OEMs on implementing the ADAS as a part of regulatory requirement and retain our market position
- Technical / Homologation support for advanced technology products
- Expand its manufacturing footprint to ensure increased customer centricity
- Increase in penetration of new products – Automated Manual Transmission, Doors with door control system, Trailer Lift axle suspension systems, air disc brakes among others

Anticipating evolutionary changes in the traditional aftermarket business models, the Company is striving to introduce new business and revenue models through e-commerce. It is also looking at ramping up sales, service, and distribution networks to effectively cater to fleets and mobility users across the country. Leveraging the wave of digitalization, the Company is also exploring the use of digital models and other initiatives to be ahead of the curve.

The authorized service centre network is expanding and currently, the Company has around 280 service centers with a pan-India presence to cater to customer requirements. These initiatives have resulted in improved service practices, and availability of genuine parts, and generated additional revenue for the Company. The Company is also cognizant that with the opportunities available within the commercial vehicle segment, the competitor activity will also be on the rise.

IV Risks and Concerns

The Company has cash reserves to meet its obligations and does not foresee a need to borrow or raise capital. The Company has a strong credit management process and investment vetting processes. The Company is receiving all major dues from its customers albeit with minor delays. The Company has met all its financial obligations and would continue to do so. The Company also has imposed strict cost control measures to reduce and avoid discretionary spend.

The Company has robust ERP systems in place and all its locations are well networked. All reporting systems have worked seamlessly without any disruption and ensuring adequate controls. Apart from the above, the cyclical nature of the Indian commercial vehicle industry presents its own risk to the business.

India's steel demand is projected to grow by 8% over 2024–2025, driven by infrastructure investments, manufacturing expansion, and supportive government policies. By 2025, demand is expected to be nearly 70 million tonnes higher than in 2020, strengthening India's role in the global steel market. Globally, steel demand is set to grow moderately, reaching 1,815 million tonnes in 2025 and 1,832 million tonnes in 2026, indicating steady momentum despite economic challenges.

Iron ore prices are expected to decline in 2025, ranging between \$85 and \$105 per tonne, due to weaker Chinese demand and higher global supply. Conversely, Indian shredded steel scrap prices may rise owing to tight domestic supply and import restrictions, while aluminium prices are forecast to dip to \$2,000 per metric ton in Q3 2025 before rebounding to \$2,300 by year-end. Price fluctuations in these raw materials might have an impact on the company's operating costs, with rising scrap and aluminium costs likely to offset benefits from lower iron ore prices. The company aims to counter these pressures through value engineering, localization, and strategic supplier partnerships.

Enterprise Risk Management:

The Company has formulated a detailed Risk Management Policy and adopted an integrated ERM framework as aligned with the ZF Group and is implemented across the Company. ERM Framework is developed by incorporating the best practices based on COSO and ISO 31000 and then tailored to suit our unique business requirements and laid down procedures for enterprise risk assessment and mitigation actions. The Board has constituted a Risk Management Committee to review the aspects of risk management periodically, to ensure that executive management reviews and controls risk through means of a properly defined framework. Risks identified and mitigation measures are periodically checked by the internal audit team and are communicated to the Board of Directors.

During the year 2024-25, the Company had two meetings of its Risk Management Committee in which a detailed presentation was made thereat, about risk mitigation in place & future risk mitigation action with timeline and accountable risk owner.

V Internal control systems and their adequacy:

The Company has proper and adequate systems of internal control including internal financial controls for financial reporting to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition thereof and ensure accurate reporting. All transactions are authorized, recorded, and reported correctly. The internal controls are checked by internal auditors. Observations made by them, management actions, and time frames are reviewed.

VI Operations review

Manufacturing

The Company continues to launch advanced technology products and solutions from its newly inaugurated, state-of-the-art, multi-divisional manufacturing plant at Oragadam, catering to both Indian and global customers. New manufacturing lines for next-generation e-mobility products have been commissioned at this plant to produce e-compressors, ASP cartridges, hydraulic ESCs for Indian OEMs, and wheel-end products such as actuators, brake chambers, and ASAs for both domestic and export markets.

New products, including twin-cylinder compressors and actuators for European customers, as well as actuators, AMTs, APUs, charging valves, and ECUs for Indian OEMs, have been successfully launched.

Manufacturing capacities have been scaled up across all plants for braking system products to capitalize on growth opportunities. New assembly lines have been established at the Jamshedpur and Lucknow plants, enhancing agility and customer responsiveness.

Over 25 parts have been transferred to these plants, improving delivery performance, enhancing flexibility through proximity-based operations, and supporting our sustainability objectives by reducing transportation emissions. Significant gains in productivity and quality have been realized through the implementation of smart automation robotic technologies, testing automation, and leveraging digitalization in assembly and machining cells. Disclosures continue to be filed within the group for indigenously developed process inventions, leveraging lean and frugal engineering capabilities.

During the year, machine refurbishment was performed in four machining cells (crankshaft and crankcase) at our plant in Mahindra World City, adopting the latest technologies. Additionally, condition monitoring powered by the Digital Manufacturing Platform (DMP) was implemented in 40 critical CNC machines at Ambattur, 6 critical CNC machines at Oragadam, and 20 critical CNC machines at Mahindra World City to monitor machine behavior and health conditions, thereby preventing unplanned downtime. There has been a considerable reduction in maintenance costs and energy consumption through the adoption of DMP. We continue to nurture citizen development, driving efficiency and better decision-making, through adoption of Microsoft Power Platform and automate repetitive tasks using Robotic Process Automation (RPA). These tools enable quick analysis and improved responsiveness in areas such as customer updates and inventory management at plant and distribution centers.

The ZF Production System (ZF PS) is a comprehensive framework designed to implement lean manufacturing principles across ZF's global operations. It focuses on enhancing efficiency, reducing waste, and fostering a culture of continuous improvement. Key tools from ZF PS Method box were launched successfully, with guided workshops and resource qualification across plants during the year.

As an initiative to eliminate landfill, hazardous waste from the Mahindra World City plant is sent to the cement industry for co-processing. In the area of distribution, we have invested in additional returnable pallets to support growing volumes in the region, further minimizing waste and environmental impact. Further, we have introduced CNG-powered vehicles in one of the logistics corridors and are currently evaluating the use of electric vehicles (EVs) for last-

mile delivery to further reduce our carbon footprint. As a testament to our commitment to sustainable manufacturing, the Oragadam plant was awarded the United States Green Building Council's LEED GOLD certification. This prestigious recognition highlights our efforts in implementing global green standards in the design and construction of the building, with practical and measurable strategies in areas such as energy efficiency, water conservation, and sustainable materials selection.

Total Employee Involvement (TEI) is the key pillar that engages employees across all plants and functions of the Company. During the year 2024-25, we won a total of 55 external awards in all competitions. Among these there were one at the international level, 16 at the National level, 16 at the regional level, and 22 at the State level conducted by CII, ACMA, QCFC, and others. Some of the significant awards include Platinum Award for the team from Ambattur in CII National level Low-Cost Automation competition, 2 Platinum awards for the teams from Ambattur in CII National DigiTech Competition, First Prize for the team from Ambattur in CII National Energy Efficiency competition and 2 Platinum awards from Ambattur in CII National Six Sigma competition.

VII Quality

The ideology of quality: ZF DNA of Quality - Living in a Zero-Defect Environment.

In the Company, quality is not a department - it's our way of life. Guided by the DNA of Quality, we continuously foster a zero-defect culture, embedding quality principles into every process, product, and employee mindset. Our goal is total customer satisfaction by proactively meeting global standards and raising product quality and reliability.

Though we recorded a Parts per Million (PPM) rate of 71 in FY 2024-25, our customers' expectations remain firm:

- Zero PPM
- Zero field failures up to 1 lakh kilometers
- Zero unplanned dealer visits

The Company is fully committed to closing this gap through a zero tolerance on deviations, flawless execution, and a cultivating prevention-first mindset.

Highlights of 2024-25 Initiatives

This year, the latest version of the ZF DNA of Quality introduced focused improvements in:

- Readiness and Safe Launch
- Software Supplier Management
- Control of Changes

- Risk-Based Decision Making
- Supplier Performance Management
- Customer DNA Master Plans

Our Total Quality Management culture remains deeply rooted, with:

- 273 Quality Control Circle projects
- 265 Supervisory Improvement Team projects
- 109833 employee suggestions successfully implemented

We strengthened empowerment through initiatives like the **"Raise Your Hand"** process part of ZF DNA of Quality 5 P framework, expanded awareness programs, competency development for new technologies, and structured recognition systems for quality contributions.

Our processes advanced through enhanced global standard adherence, better readiness evaluations, stronger safe launch controls, lessons learned sharinxg, and improved traceability systems end to end supply chain.

Leveraging Artificial Intelligence and data analytics, we enhanced defect prediction, decision-making speed, and proactive failure prevention.

Continuous improvement remains core — driving supplier performance, structural alignments, and executing our long-term Quality 4.0 roadmap.

Key Recognitions and Awards

Internal and Customer Awards

1. Excellence Award under the category of ZF DNA of Quality for 2024 at the Group level for the 3rd consecutive time.
2. Recognized by VECV with the Best Field Quality Support award at the Annual Supplier Conference 2024.
3. Pant Nagar plant won the Gold Award in Ashok Leyland's Q Max Supplier Improvement Program for its Zero-Defect Approach.
4. Customer Award from VECV for its Field Claim Transformation journey during the Apex Supplier Quality Forum (Samunnati).
5. Ambattur Plant was honored with the Platinum Award by Ashok Leyland for achieving Zero PPM in Fiscal Year 2024.
6. Jamshedpur team secured the First Prize in the L3 Process Controls category awarded by Tata Motors.
7. Ambattur Plant - Quality team was awarded the Runner-Up position by Ashok Leyland at the regional level in the Supplier Samrat competition.

8. Ambattur plant was recognized as the Best Supplier by JBM during their annual supplier meet.
9. Pant Nagar team received a Problem-Solving Culture Certification from Ashok Leyland Pant Nagar plant.
10. Lucknow plant won the Silver Award in the Tata Motors ED's DWM Cup competition.

External Industry Awards

1. Company's Quality teams won the Platinum Award at the National Level CII Six Sigma Competition.
2. Ambattur Plant - Quality team secured the Second Prize (First Runner-Up) in the CII Mastermind National Quiz Competition.
3. Ambattur Plant and Oragadam Plant - Quality teams won Gold Awards at the 17th QCFI Kaizen Competition.
4. Ambattur Plant - Quality team won the Runner-Up Award in the ACMA Kaizen Competition at the regional level.
5. Ambattur Plant's team secured the Gold Award in the NIQR Six Sigma Competition.

These recognitions reflect our team's relentless focus on quality, continuous improvement, and customer satisfaction.

VIII Information Technology

The Company continues to focus on Data Privacy, Cyber Security, Digital Transformation in-line with the Global IT Framework and Policies of the Company. ZF Group focusses towards being a technology platform provider for the Digital Core.

The solutions and ideas for digitalisation are registered & tracked on a Continuous Improvement platform and are prioritized based on the quantified business benefits.

AI/Advanced Analytics: ZF Group is focused on implementation of data & AI solutions, enabling data-driven decision making & driving data excellence with a vision to have AI as part of software running products and processes. The ZF Global AI Centre of Excellence is in place to bring in cohesion on topics regarding organization, people, technology, and ecosystem related to Data & AI.

The Global AI CoE Team conducted the 2025 Global Data and AI Conference, an inspiring event which explores the latest advances in Data, Analytics & Artificial Intelligence. The Conference brings together experts, innovators, and enthusiasts to share knowledge and foster connections.

Additionally, an AI/Generative AI workshop was conducted to the business teams in the Company to share best practices, projects within ZF and promote adoption of these technologies.

Digital Manufacturing Platform (DMP): As stated under Manufacturing initiatives, the Company is in the process of adopting the ZF's Cloud based Digital Manufacturing Platform (DMP) that acts as the central enabler to realize one global production network through digital solutions to achieve higher flexibility, productivity, and efficiency. DMP enables to create transparency of production performance, enhance maintenance operations through machine condition/energy monitoring and fault prediction. These plants have started realizing the benefits of digitalization.

ERP: In alignment with the Company's strategic transformation towards becoming a digital, data-driven enterprise with optimized processes, Next-Generation ERP solution is being discussed and evaluated that leverages cutting-edge technology on SAP's S/4HANA platform.

Cyber Security & Data Privacy: ZF Global Enterprise IT Security is focused on the Operational Enterprise IT-Security by Prevention, Detection and Defending/ Mitigation of Cyber Risks. ZF Corporate & IT Security is constantly improving the Security Policies, Cyber capabilities, tools, and processes by Protection of the entire IT infrastructure (global network, cloud, servers, endpoints...), the Company has in place a 24x7 Security Operations Centre (SOC) that globally monitors the environment for security conditions, alarms, health of the security platform, and responding through the organization's various technical solutions.

Internally simulated phishing attacks are conducted periodically along with regular awareness sessions to all employees on the Dos & Don'ts best practices. One of the factories of the Company has received TISAX certification. Trusted Information Security Assessment Exchange (TISAX) is an assessment and exchange mechanism for the information security of enterprises, published by the Verband der Automobilindustrie (German Association of the Automotive Industry or VDA).

With reference to the new Digital Personal Data Protection Act, 2023 requirements, the company has submitted its clarifications to the draft rules released by The Ministry of Electronics and Information Technology (MeitY).

IX Human Resource Development

The Company's growth story in India continues to mature with increasing talent base and technology ownership across all its manufacturing and technology centres. The newest Oragadam facility continued

the momentum in ensuring more than 80% gender diversity across its production lines.

HR policy enhancements which focused on people development, care and inclusivity where the notable highlights during the year. Learning and development continue to be the highest organizational priorities with dedicated interventions like Plant Manager Development Program, Sales Leader Development Program and curated women leadership development interventions (HerRise, Empower Her Power).

Building an emotional connect through various engagement initiatives which focused on employee health & wellness, culture & diversity, and various technology initiatives ensured a motivated workforce and this reflected in the annual global employee engagement survey results with greater than 90% participation and 79% engagement index which is 4% over the ZF Group average.

The organization Company enhanced its skill base by hiring 450 plus engineers and 70 professional talents, hired from various premium engineering institutions as part of Future Starters Initiative. Overall gender diversity for the Company has increased from 17% to 18.5% which reinforced our commitment to building an inclusive workforce.

Another significant highlight for the year was our commitment to develop talents and provide them opportunities for internal growth through our internal placement program (17% of the overall hiring).

This comprehensive talent management framework which focused on attracting, developing and engaging our talent ensured a low voluntary employee turnover at 7% across the Company.

The Company continued the culture of maintaining smooth and engaged industrial relationship with various works councils across various factories in India. As on March 31, 2025, the Company had 2488 employees on its rolls.

X Environment, Health & Safety

First quarter of every year is focused on EHS themes and this year, the Company has focused on EHS & Sustainability initiatives with a theme approach in the key areas, where our operations play a bigger role to ensure safe, healthy & sustainable workplace. Based on the above context, the theme for this year: "Be the STAR"(Safety Champion, Transformation agent, Active & Fit & Resources Conscious), this theme drives a behavioural transformation across the shopfloor to adhere EHS practices & systems and resources conscious challenge with 5R.

During the above mentioned period, more than 40 awareness programs were organized across the plants

with more than 4124 employees benefitted. As part of the campaign, 15 competitions like essay, drawing, quiz, and speech were organized, and winners were recognized in the town hall meeting held, subsequently.

On March 4th, National safety day is celebrated across all the plants starting with the pledge taken and a lot of engagement activities were organized.

During the year, surveillance audits of ISO 14001 (Environment management system) & ISO 45001 (Occupational Health and Safety management system) were completed as part of the ZF corporate audit scheme. The Ambattur plant and the Test track have completed the re-surveillance audit for ISO 50001 standards for implementing energy management systems and achieving continuous improvement in energy performance.

During the year 2024-25,, Ambattur plant won 1st place "Platinum award" in CII National energy efficiency circle competition for best energy efficiency approach and projects.

Mahindra World city team won gold award in Sustainability category at CII National Kaizen Competition, to reduce the LPG consumption 25% in the powder coating process.

As part of Sustainability initiatives, the energy efficiency program was rolled out involving all stakeholders in the operations as well as in other areas where 12% energy reduction resulted from implementing 103 projects across the sites.

To improve Energy efficiency program, we have collaborated with IIT Madras Industrial Energy Assessment cell to audit our Ambattur and Mahindra World City site where more than 20% potential opportunity identified to improve the Energy improvements.

To promote renewable energy, we have installed onsite roof solar of 500KWp to support 25% of plant renewable energy and installed onsite roof solar of 60 KWp at Pant Nagar site to support 40% renewable energy of plant energy.

To phase out of fossil fuel in our operations, fossil fuel diesel is phased out with electrical induction vessel at Ambattur kitchen which is approx. 66000 liters/annum diesel is eliminated in turn we avoided 151 tons of Co2e.

As part of Circularity initiative, zero waste to landfill & incineration achieved by reuse the hazardous waste into cement industry at Mahindra World City plant.

XI Community development and social responsibility

As a responsible corporate citizen, the Company engages in social responsibility and community development activities. This year the activities were conducted through the internal engagement of employees and resources, primarily focused on activities that would help the needy sections of the society as specified in Schedule VII of the Companies Act, 2013 and the Company's CSR policy with a specific focus towards areas surrounding the Company's plant locations. The Company views CSR as a powerful opportunity to help create a positive impact for the future by working together with Communities, Governments, and local bodies to deliver qualitative social improvement. The Company identifies appropriate CSR projects in line with the Company's CSR policy and implements them. The Company had identified various projects towards spending 2% of average net profits for the previous three years. Along with Year 2024-25 identified projects, Company has completed the previous two years unspent CSR of 2022-23 and 2023-24 against ongoing projects, resulting in to no unspent amount as on March 31, 2025. The Company executes all its CSR projects under identified four primary areas such as Road Safety, Supporting Communities, Skilling Individuals and Environmental Sustainability.

Promoting road safety across India: Improve Road Safety by creating awareness among stakeholders like drivers and technicians from State Transport Undertaking at various States Gujarat, Karnataka, Kerala, Andra Pradesh, Maharashtra, Telangana and Tamil Nadu. Topics covered includes Do and Don'ts while driving, awareness of the safety system available on the vehicle, the importance of the maintenance of the key safety systems available on the vehicle. Road Safety Awareness events carried out in 37 Locations from various States of 817 drivers and technicians of various private fleets benefitted. 7 Dual Brake System Working Models provided to Driver/Technician Training Centres of APSRTC, MTC and TSRTC. Also 4 Workshop equipment's installed at various divisional workshop of TSRTC and MTC. Above working models and workshop equipment will reduce the downtime of vehicles and the road accidents.

Supporting Communities: The Company has embarked on a range of community service projects aimed at bolstering local communities. These initiatives encompass enhancements to the infrastructure of Primary Health Care Centres, modernization of hospital amenities, refurbishments of Government school buildings, improvements to sanitation facilities in the schools, and the execution of various projects cantered on women's welfare, among others.

The Company has improved the infrastructure of 4 UPHCs of Zone 7, The Greater Chennai Corporation, Ambattur by providing medical equipment such as Ultrasound Sonography Machine- 3 no's, Auto Clave- 3 no's & Microscope- 1 no. The Company has provided 150 mA Computerized X-Ray Machine to the Primary Health Centre, Perambakkam. Our organization has provided 300 sets of Classroom Study Table with Bench to the Government Inter College at Barabanki, Lucknow, thereby improving the ergonomic health of the 900 students. The kitchen of the Govt. Middle School, Uperbera, Jamshedpur was renovated into a hygienic and well-ventilated kitchen for their mid-day meal preparation along with hygienic dining area. Moreover, our Company has supported the under privileged High School students with 10 no's of Laptops through "Namma School Namma Ooru Palli" (NSNOP) which is a Tamil Nadu state Government Initiative for Rural Education.

Upon request of the villagers of Hussain Nagar, Thiruvallur district, Tamil Nadu to provide a safe Road for safe commuting and prevention of Road Traffic Accidents, we have relayed the Meppedu main road for a length of 791 meters.

To promote the sports and cultural activities in the Uperbera Village, Jamshedpur, the Company has renovated the Football Ground & the Stage thereby promoting Sports and social wellbeing of the villagers.

The Local village people of Uperbera and Ramachandrapur Village, Jamshedpur were facing water scarcity and fetching of ground water using hand pump. Therefore, our organization provided an overhead tank with solar power operated motor thereby providing the villagers with safe potable drinking water.

The Company has completed the ongoing project of 2023-24 "Multi-Purpose Activity Hall , library,

computer lab infrastructure for Kasturba Gandhi Balika Awaseey Vidyalaya , Barabanki. Uttar Pradesh.

Skilling Individuals: In order to improve the skill of Polytechnic students, the Company has improved the infrastructure and upgraded the Physics, Chemistry and Computer labs at Govt Polytechnic Harakh Deeh, Barabanki- Lucknow.

The Company has covered under the National Apprenticeship Promotion Scheme (NAPS) and trained 1000 Persons under CSR. We also train them in the basics of manufacturing excellence to upskill them and enhance their employability

Environmental Sustainability: The Company has implemented a suite of renewable energy solutions, including the installation of Solar Power Systems, solar powered traffic signals, streetlights, and high mast lights. Solar power systems have been installed in seven Primary Health Centres at Chengalpattu based on the need. The Primary Health Centres reported that, they experienced no power interruptions, enabling them to continuously deliver healthcare services to underprivileged communities. Installation of Solar based Traffic Signals has enhanced road safety with uninterrupted power supply, Company has installed 9 traffic signals at Jamshedpur, 2 at Lucknow and 1 at Chennai. Company has also installed 100 Solar based streetlights, and 4 Solar based High mast lights which has benefited the public. Uttar Pradesh Government has appreciated our efforts towards the development of Society.

The Company has completed the ongoing project of 2022-23 "Rejuvenation of Vaipur Lake near our Oragadam Plant". The Company's efforts led to the enhancement of water storage capacity at Vaipur Lake, Oragadam's to 3000 m³, thereby promoting sustainable water management.

XII Financial Statement

(INR in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from Operations	3,80,408.92	378,370.85	383,096.25	381,564.74
Other Income	10,974.90	9,577.37	10,819.72	9,481.61
Total Income	3,91,383.82	387,948.22	393,915.97	391,046.35
Profit before interest depreciation and tax	73,520.17	65,891.45	73,927.53	66,123.85
Finance Costs	570.47	500.91	570.47	500.91
Depreciation	12,270.06	10,948.78	12,425.23	10,979.88
Profit before tax	60,679.64	54,441.76	60,931.83	54,643.06
Provision for taxation (including deferred tax and tax relating to earlier years)	14,813.83	13,963.82	14,858.83	13,998.41
Profit after tax	45,865.82	40,477.94	46,073.00	40,644.65
Other Comprehensive Income / (Loss) for the year net of tax	(426.22)	(58.63)	(426.22)	(58.63)
Total Comprehensive Income for the year Net of Tax	45,439.60	40,419.31	45,646.78	40,586.02

In the preparation of financial statements, the Company has followed the Indian accounting standards (Ind AS) as notified under section 133 of companies act 2013 read with the companies (Indian Accounting Standards) Rules.

Key Financial Ratio

Particulars	2024-25 (in %)	2023-24 (in %)	Significant changes compared to previous year. i.e., 25% or more	Detailed explanation for the change
Current ratio	6.03	4.94	N.A	N.A
Debt-equity ratio	N.A	N.A	N.A	N.A
Debt service coverage ratio	49.45	54.91	N.A	N.A
Return on equity ratio	0.15	0.16	N.A	N.A
Inventory turnover ratio	12.76	14.70	N.A	N.A
Trade receivables turnover ratio	3.71	4.47	N.A	N.A
Trade payables turnover ratio	6.43	6.50	N.A	N.A
Net capitals turnover ratio	1.61	1.92	N.A	N.A
Net profit Margin	12.06	10.70	N.A	N.A
Operating Profit Margin	16.10	14.52	N.A	N.A
Return on capital employed	18.83	19.43	N.A	N.A
Return on investments	7.80	7.84	N.A	N.A
Return on net worth	15.3	15.6	N.A	N.A

XIII Cautionary Statement

Statements in the management discussion and analysis report describing the Company's objectives, projections, estimates, and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

BRSR OVERVIEW:

SECTION A – GENERAL DISCLOSURES

Details

1.	Corporate Identity Number (CIN) of the Listed Entity	L34103TN2004PLC054667
2.	Name of the Company	ZF Commercial Vehicle Control Systems India Limited ('ZF CVCS')
3.	Year of incorporation	2004
4.	Registered office address	Plot No.3, (SP) III Main Road, Ambattur Industrial Estate, Chennai - 600 058.
5.	Corporate address	Plot No.3, (SP) III Main Road, Ambattur Industrial Estate, Chennai - 600 058.
6.	E-mail	cvcs.info.india@zf.com
7.	Telephone	+91 044 4224 2000
8.	Website	https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html
9.	Financial year for which reporting is being done	FY 2024-25
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai
11.	Paid-up Capital	INR 948.38 lakhs
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR Report	M. Muthulakshmi Phone: +91 044 4224 2000 E-mail: muthulakshmi.m@zf.com
13.	Reporting boundary	Standalone (Only for ZF CVCS India Limited)
14.	Whether the Company has undertaken reasonable assurance of the BRSR Core?	Not applicable for this year
15.	Name of assurance provider	The report is not assured by an external assurance provider.
16.	Type of assurance obtained	Not applicable

Products and Services

17. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of Automotive components	Air assist and full air actuation and accessories systems	73.94%
2	Spares	Spares	13.15%
3	Software services / Research and development / Business services	Software services / Research and development / Business services	10.51

18. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% Of total Turnover contributed
1	Automotive components and spares	29301	100%

Operations

19. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Manufacturing Unit(s)	Number of office(s)	Total
National	6	2	8
International	* ZF CVCS does not have any international locations		

The Company's manufacturing locations are located in:

- i. Chennai: Plot No. 3, (SP) III Main Road, Ambattur Industrial Estate, Chennai 600 058
- ii. Jharkhand: Large Sector, Adityapur Industrial Area, Gamharia, Seraikella-Kharsawan District, Jharkhand 832 108
- iii. Mahindra World City: Unit - 1 & Unit - 2 at: Plot No. AA8, Central Avenue, Auto Ancillary SEZ, Mahindra World City, Natham Sub-Post, Chengalpet, Kancheepuram District 603 002
- iv. Pantnagar: Plot No.11, Sector 4, SIDCUL, IIE Pantnagar, Udham Singh Nagar, Uttarakhand 263 153
- v. Lucknow: KH 159-162, 164 Village Dhakauli Nawabganj, Barabanki Dewa Road, Somaiya Nagar, Barabanki, Lucknow, Uttar Pradesh 225 123
- vi. Oragadam: Plot C10&C11, SIPCOT Industrial Park Phase 2, Vaipur B-Block, Oragadam, Kancheepuram District 602 105

The Company has its ZF IT Center India and Global Engineering Centre (fka Technology Center India) Chennai situated at Porur, Chennai.

20. Markets served by the entity:

The Company operates in the following markets mentioned below:

a. Number of locations

Locations	Number
National (No. of States)	The Company operates across 28 states and 6 union territories (Excluding Lakshadweep, Diu Daman)
International (No. of Countries)	We export to 15 countries across the Americas, Asia, Europe and Africa

b. What is the contribution of exports as a percentage of the total turnover of the entity?

41.05%

c. A brief on types of customers

The Company deals with multiple segments and categories namely Automotive Original Equipment Manufacturer (OEMs), distributors, government agencies and retailers.

Employees
21. Details as at the end of Financial Year:
a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2,029	1,663	82%	366	18%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	2,029	1,663	82%	366	18%
WORKERS						
4.	Permanent (F)	459	454	99%	5	1%
5.	Other than Permanent (G)	2,634	2,216	84%	418	16%
6.	Total workers (F + G)	3,093	2,670	86%	423	14%

b. Differently abled Employees and workers:

Differently abled employees						
S. No	Particulars	Total (A)	Male		No. (C)	Female % (C / A)
			No. (B)	% (B / A)		
1.	Permanent (D)	1	1	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	1	1	100%	-	-
Differently abled workers						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	37	27	73%	10	27%
6.	Total differently abled workers (F + G)	37	27	73%	10	27%

22. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25.00 %
Key Management Personnel	3	2	66.67 %

23. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8%	2%	10%	12%	2%	14%	12%	2%	14%
Permanent Workers	1.8%	0.2%	2%	1%	0%	1%	1%	0%	1%

Holding, subsidiary and associate companies (including joint ventures)

24. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	ZF Friedrichshafen AG	Ultimate holding company	NIL	-No-
2	WABCO Asia Pvt Ltd, Singapore	Holding company	63.16%	
3	ZF CVCS Manufacturing India Pvt Ltd	Wholly owned subsidiary	100%	

CSR**25. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes****(ii) Turnover (in INR) – 3,804.09 crores****(iii) Net worth (in INR) – 3,210.08 crores**

Transparency and Disclosure Compliances

26. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Overview of the entity's material responsible business conduct issues

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide web-link for grievance redress policy)	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes [#]	1	0	The complaint has been duly addressed and resolved	2	0	All complaints have been duly addressed and resolved
Employees and workers	Yes	5	0	This includes the number of whistle blower complaints reported by Employees as well as POSH related complaints	Nil	Nil	-
Customers	Yes ^{&}	Nil	Nil	-	Nil	Nil	-
Value Chain Partners	Yes *	Nil	Nil	-	Nil	Nil	-
Other (please specify)	-	-	-	-	-	-	-

Note:

*Whistle blower policy:

The Whistle blower mechanism provides a platform enabling employees, trainees, directors and Vendors of the Company, to report genuine concerns, unethical behaviour, actual or suspected fraud, violation of Company's Insider Trading Code, any unlawful act or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimisation of the whistle blower and also provides for direct access to the Chairman of the audit committee in appropriate or exceptional cases or chief ethics officer of the Company as the case may be to report any concerns or unethical activities. Further individual policies by and large prescribe grievance redressal mechanisms for the concerned stakeholders.

Weblink: https://www.zf.com/master/media/corporate/m_zf_com/company/bonds_relations/_wabco_india_ir/18_policies_and_code_of_conduct/05-WABCO-India-Whistle-Blower-Policy.pdf

[&]Annual Customer satisfaction survey for collating their feedback.

[#]Mechanism in place such as SEBI SCORES platform, Smart ODR platform and stock exchanges.

https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html

27. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Overview of the entity's material responsible business conduct issues:

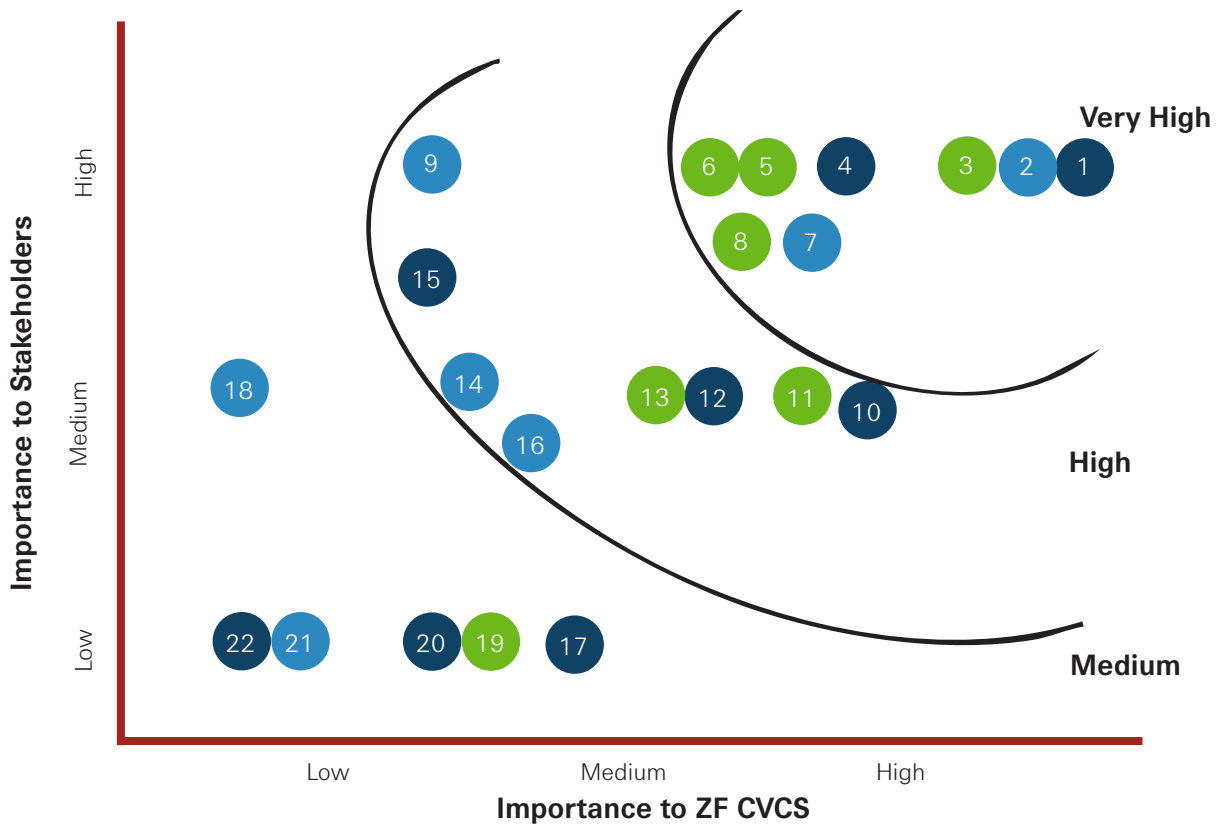
Identifying and classifying the environmental, social, economic and governance topics material is vital to our business and our internal and external stakeholders. Prioritising the issues significant to us helps utilise resources prudently and reinforce our long-term value. The Company carried out the materiality assessment in FY 2021-22 which enable the Company to identify material issues that directly or indirectly impacted the organisation and business. Detailed

materiality assessment helped to focus on the most relevant sustainability issues for stakeholders and strategic partners. We followed a stakeholder driven approach which is seen as a balanced and well-rounded methodology. Stakeholder groups critical to the entity were identified and subjected to surveys along with other research analysis to determine key material topics and prioritisation of material issues based on their impact on our business and stakeholders.

S. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Health & Safety	R	As an OEM organisation, we accord top priority to Occupational Health and Safety and have zero tolerance towards any incidences related to it. Our goal is to build an accident-free organisation, so that our employees can work comfortably in a safe and healthy environment. The exposure of employees into the risk area makes them vulnerable to adverse incidents.	The organisation provides periodic safety trainings to promote employee wellbeing and to ensure safety at the workplace. The Company, as part of EHS management system, has introduced SHE FMEA (Safety, Health & Environment Failure Mode and Effect analysis). SHE FMEA is a methodology that identifies hazard and assess risk and is adopted to cover all activities & processes for the routine and non-routine activities in normal, exceptional & emergency situations and to identify the failure mode with respect to EHS. It also addresses the gaps because it is a quantitative risk assessment methodology.	Negative
2	Ethical Business Practices	O	Ethical business practices form the core of our business. The Company's code of conduct clearly states the necessary compliance requirements and guidelines for internal stakeholders to perform the duties with highest standard of integrity and accountability.	• Annual employee and director certification with the Code of Conduct • Annual Ethics Training program • Resolution of employee or third party complaints via Ethics Council investigations • FCPA audits are periodically conducted at sites to determine compliance with applicable anti-bribery regulations • Quarterly representations during global financial Audit	Negative
3	Energy Management	O	Diligent Energy Management in all usage areas will enable reduction in energy costs and helps to conduct business in an efficient and sustainable manner.	Energy mapping in all areas and 8% energy savings in every year can be achieved with implementing the improvements.	Positive

S. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Risk Management	O	Risk Management aids in identification, evaluation and mapping the risk based on severity to prevent, control and mitigate through means of properly defined framework.	The Board has constituted a Risk Management Committee to review the aspects of risk management periodically, to ensure that executive management reviews and controls risk through means of a properly defined framework. There are 52 potential risks identified and mitigation measures are periodically checked by the internal audit team and are communicated to the Board of Directors.	Negative
5	Water Stewardship	O	Water is a critical element in our operations and its seen as an opportunity to judiciously use our water resources and minimise our water costs.	Monitoring of Water consumption and yearly reduction of water consumption by 2%.	Negative
6	Emissions Management	O	The organisation is committed towards reducing its corporate carbon footprint and aims to achieve this by reduction and substitution. It is currently in the process of evaluating their emissions and works to adhere to the national and international goals of reducing carbon emissions.	Energy Efficiency and avoidance of energy consumption are the top priority. A secondary focus is the transformation of energy consumption from fossil fuels to renewable resources, or a corresponding technology shift. city is in pipeline.	Positive

S. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Labour Practices and D&I	R	Labour Practices and D&I are fundamental to the success of the organisation. Unrest in workforce can lead to disruption in the operations creating financial impacts. Additionally, companies infrastructure and other resources are prone to risk as a consequence of sabotage or criminal act.	There are periodic meetings held between the Union members and the site leaders. Weekly call is also arranged between the Site HR team and the Central team involving HR leader for operations. Monthly HR reviews are held which covers labour relations aspects, chaired by the India HR Leader. Further to build a more inclusive business we have taken a target of gender diversity with an aim to have 30% woman across all our manufacturing sites. To enable this, in the current year, the Company has hired 70% woman candidates of the total new hires from institutional hiring.	Negative
8	Waste Management	R	Improper handling of the hazardous substance can result in deterioration of natural resources and environment. Ethical, reputational and legal risks arise owing to the adverse impacts on the flora and fauna caused by the ecosystem damage.	All manufacturing sites are ISO 14001 certified (environmental certification) for compliance. Hazardous waste is packed, stored in dedicated area and disposed in safe manner through government authorised agencies	Negative



Material issues for ZF CVCS

Very High

1. Employee Health & Safety
2. Ethical Business Practices
3. Energy Management
4. Risk Management
5. Water Stewardship
6. Emissions Management
7. Labour Practices and D&I
8. Waste Management

Medium:

15. Supply Chain Management
16. Customer Privacy
17. Biodiversity & Land usage
18. Community Relations
19. Opportunities in Green Building
20. Board Structure & Management
21. Responsible Investment
22. Customer Management

High:

9. Employee Engagement & Talent Development
10. Anti-competitive Behavior
11. Opportunities in Clean Technology
12. Policy Influence
13. Climate Change Vulnerability
14. Responsible Sourcing

SECTION B – MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements of administering responsible activity.

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

Principle 1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Disclosures									
1.									
a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b) Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c) Web Link of the Policies, if available	ZF Friedrichshafen AG Group's Code of conduct policy covers the various principles of the 9 NGRBC's principles. Weblink: Code of Conduct : https://www.zf.com/master/media/corporate/m_zf_com/company/corporate_governance/compliance/coc_all_languages/1_ZF_Compliance_Code_of_Conduct_EN.pdf Business Partner Principles: https://www.zf.com/master/media/corporate/m_zf_com/company/corporate_governance/compliance/zf_bpc_en.pdf ZF CVCS Investor Relations: https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html#policiesandcodeofconduct_acc_657742_0								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies on sustainability extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

(Y- Yes/ N- No)

4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company has installed product safety management systems to ensure the safety characteristics 1 and 2 part of International Automotive Task Force (IATF) 16949 are met. ISO 45001:2018 certified (Occupational Health and Safety): All Manufacturing Facilities except oragadam. ISO 14001:2015 certified (Environment Management System): All Manufacturing Facilities except oragadam. ISO 50001:2015 certified (Energy Management System): Manufacturing facilities in Chennai, Jharkhand and Lucknow. The Company is also ISO 27001 to safeguard organisation data against security threats.
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	• The Company has committed to be carbon neutral by 2040 and use 100% renewable energy by 2026. • Targeting towards Zero Accident • To achieve carbon neutrality the company will aim to reduce its Scope 1 & 2 emissions by 2% year on year compared to 2020. • A focused effort on energy reduction initiatives 5% year on year , increase our renewable energy use by 5% year on year and reduce waste by 5% year on year
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Actions are in place to achieve our targets and periodic review are scheduled to address the same.

Governance Leadership and Oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Please refer Page 11.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Company monitors the implementation of the business responsibility policies through a leadership team chaired by the Managing Director. Regular discussions are conducted to discuss the Environment, Social and Governance aspects.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Company has a leadership team responsible for decision making on sustainability related topics. The team periodically discusses, reviews the issues and monitors the action plan. The team is chaired by the Managing Director along with the functional heads. Further the Risk management committee of the Company is entrusted with the assessment of ESG risks and opportunities on periodic manner.

Policy and management processes

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually (A)/ Half yearly (H)/ Quarterly (Q)/ Monthly (M) / Weekly (W))								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	H	A	M	Q	Q	M	A	W	M
Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	H	A	M	Q	Q	M	A	W	M

(Y- Yes/ N- No)

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

The internal audit team at the Company conducts periodic reviews of the Company policies.

Some policies e.g. Health and Safety and Quality are subject to both internal and external audits as a mandate for certification process (ISO 45001, ISO 14001, ISO 50001, etc.) to evaluate the ideal working of the policies.

The certification process was carried out by DNV which is an accredited third-party certification body. No independent assessment of policies has been completed as yet.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C – PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1 – Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable

ZF CVCS as a company earned the recognition and trust of its Products and services, compliance, and ethical corporate governance. The intention is to carry on conducting moral business with integrity and transparency. The ZF Code of Conduct is a crucial component in promoting ethical and responsible behaviour among employees. It offers direction on principles of morally upright behaviour in daily operations and when interacting with business partners. All suppliers and service providers are required under ZF's Business Partner Principles to pledge to abide by all applicable laws and regulations wherever in the world. It is imperative for suppliers and service providers to guarantee the protection of human rights and dignity across all business operations.

SDG Linkages



Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	7	During the year, the Board of Directors of the organisation spent approximately 30 hours on various familiarisation programmes comprising Policy formation & Policy Deployment, business, regulations, economy and environmental, social and governance parameters, Sustainability initiatives. In addition, a monthly Town Hall Meeting held with all the board members, KMPs & Employees to share the developments in the business and future goals.	100%
Key managerial personnel	10	During the year, KMPs of the organisation spent approximately 30 hours on various familiarisation programmes comprising Policy formation & Policy Deployment, business, regulations, economy and environmental, social and governance parameters. In addition, a monthly Town Hall Meeting held with all the KMPs & Employees to share the developments in the business and future goals.	100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	72	All employees of the organisation undergo various training programmes throughout the year. Owing to the pandemic, during the year, most trainings happened through blended learning which entailed virtual classroom initiatives, along with e-learning modules. Various key trainings were undertaken during the year such as: • Prevention of Sexual Harassment at the Workplace, • Code of Conduct, • Emotional Stability & Wellness • ZF Office 5S Training • 7 Step lean Methodology – Value stream analysis • JH Awareness training • Product Knowledge - Basic and Advanced • Low-Cost Automation – Industrial Robot Programming and Operation • LOTO Awareness • Core Quality Tools – SPC, MSA, APQP, PPAP, FMEA & CP • QCPC • Internal Auditor Training Program • ISO14001: 2015, ISO 45001:2008 • Bottleneck Change Management • Training on 7QC Tools – QRQC, M7 tools, 5W+2H • Leadership Initiative Program • Sustainability awareness and Emission Control • Navigating supply chain dynamics • Laboratory Management • Prevention of Corrosion Other trainings included induction programmes for new recruits, leadership training and modules on soft skills, programmes on mental and physical well-being, amongst several others. Total training man days per employee: 12.0	100%
Workers	80	For workmen, On the job training as well as off job trainings were given in various topics such as • Product Knowledge • Material Handling Techniques • Awareness 5S Audit • TEI Activities – Kaizen, Suggestions, Fugai Tag • Awareness on Poka - Yoke • Awareness on Quality Defects • Awareness on POSH • Productivity Improvement • Awareness on JH & CLIA adherence • QMS • TPM • TQM • Reduction of Carbon Footprints • Lean Principles (8 types of Wastes) • Awareness on SHE • Awareness on ZF PS • 7 QC Tools	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agency/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agency/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes, ZF Group Code of Conduct has covered anti-corruption or anti bribery. Weblink: [ZF Group Compliance Code Of Conduct](#)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2024-25	FY 2023-24
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

There have been no complaints against our BOD, KMPs, Employees and Workers.

6. Details of complaints with regard to conflict of interest:

	FY 2024-25	FY 2023-24
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25	FY 2023-24
i) Accounts payable x 365 days	12,618,181.4	14,400,815.85
ii) Cost of goods/services procured	264,009.72	275,660.18
iii) Number of days of accounts payables	48	52

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

(in INR crores)

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. i) Purchases from trading houses	425	464.84
	ii) Total purchases	2,222.53	2,332.37
	iii) Purchases from trading houses as % of total purchases	19.12%	19.93%
	b. Number of trading houses where purchases are made from	161	186
	c. i) Purchases from top 10 trading houses	228	219
	ii) Total purchases from trading houses	425	450.11
	iii) Purchases from top 10 trading houses as % of total purchases from trading houses	53.68%	48.61%
Concentration of Sales	a. i) Sales to dealer / distributors	440	454
	ii) Total Sales	3,804.09	3,783.71
	iii) Sales to dealer / distributors as % of total sales	12%	12%
	b. Number of dealers / distributors to whom sales are made- Nos	234	350
	c. i) Sales to top 10 dealers / distributors	241	205
	ii) Total Sales to dealer / distributors	440	417
	iii) Sales to top 10 dealers / distributors as % of total sales to dealer / distributors	55%	49%
Share of RPTs in	a. i) Purchases (Purchases with related parties)	163.64	133.17
	ii) Total Purchases	2,222.53	2,332.37
	iii) Purchases (Purchases with related parties as % of Total Purchases)	7.40%	5.7%
	b. i) Sales (Sales to related parties)	954.36	828.60
	ii) Total Sales	3,804.09	3,804.1
	iii) Sales (Sales to related parties as % of Total Sales)	25.1%	21.9%
	c. i) Loans & advances given to related parties	5	10
	ii) Total loans & advances	24.14	33.51
	iii) Loans & advances given to related parties as % of Total loans & advances	20.72%	29.8%
	d. i) Investments in related parties	1	1
	ii) Total Investments made	2.77	2.75
	iii) Investments in related parties as % of Total Investments made	36.06%	36.4%

*Trading Houses refer to suppliers who act as traders and are involved in import of commodities from various countries.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
13	Various topics are covered under the training as follows, Heat treatment assessment systems, Failure modes, Risk priority numbers, severity, occurrence detection Specifications, Digital technology Need for Launch Readiness, criteria VDA 6.3 version Run @ Rate product, process, change management, conditions Advanced Product Quality Planning Special Characteristic Need for cleanliness, ISO standards, Gravimetry 8 dimensions of Problem-Solving Techniques Failure modes, Risk priority numbers, severity, occurrence detection Classification Fire, Types of Extinguishers, Fire Emergency response	100%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The Company has processes in place to avoid / manage conflict of interests involving members of the Board. The Code of Conduct policy also has a mention about the actual or potential Conflict of Interest specifically of the Board Members and recommends the Directors or senior management personnel involved in any conflict or potential conflict situations to exclude themselves from any discussion or decision relating thereto.

Further signed declarations and commitment are received from Board of Directors and Senior Management personnel for not engaging with any activities or interests that may create conflict with company's interest on an annual basis.

Principle 2 – Businesses should provide goods and services in a manner that is sustainable and safe.

By providing our clients with exceptional products and services that increase vehicle efficiency and safety, the Company hopes to make a positive impact in the lives of people and the environment. The Company manufactures and distributes conventional braking products, advanced braking systems, and other related air assisted products and systems that help reduce environmental pollution, improve road safety, and save energy in medium and heavy commercial vehicles.

SDG Linkages**Essential Indicators**

- 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively**

	FY 2024-25 (Current financial year)	FY 2023-24 (Previous financial year)	Details of improvements in environmental and social impacts
R&D	0.04%	0.7%	Key initiatives both in our R&D operations and product improvement from a perspective using alternative fuels and efficiency optimisation were carried out in the current financial year
Capex	0.13%	0.4%	Please refer to our energy efficiency improvement effort in Principle 6 Essential Indicator 8

- 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) -**

Yes. The Organisation promotes sustainable sourcing and continually works towards increasing the value of purchases made from such suppliers. To support sustainable sourcing, we encourage our suppliers and vendors to adopt suitable practices in their operations. Integrated supply chain operations ensure sustainable and best use of available resources. Further, Business Partner Principles ([ZF Group Business Partner Principles](#)) covers specific guidelines that are agreed to by our suppliers as part of terms of business.

- b. If yes, what percentage of inputs were sourced sustainably?**

43.75% (by input value material sourced) from the perspective of ZF sustainable sourcing standards.

- 3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company has a robust design to increase the recyclability of its products and minimise the risk to the environment. The ZF group's environmental targets consider life cycle aspects of the products during its environmental improvements. The Company evaluates recycling aspects in the product design, to ensure there is efficient recycling of materials that are used in operations.

- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Extended Producer Responsibility (EPR) is applicable to the Company's activities as the Company uses plastics for packaging purposes. Further the Company has registered as the category of importer of plastic. Further the Company has registered as the category of importer and brand owner of plastics. The waste collection plan is in line with the EPR plan submitted to Central Pollution Control Board.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency	Results communicated in public domain	If yes, provide the web-link.
Nil						

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Nil		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25 (Current financial year)	FY 2023-24 (Previous financial year)
Aluminium	90%	90%
Iron Castings	50%	50%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Waste Details	FY 2024-25 (Current financial year)			FY 2023-24 (Previous financial year)		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category.
Packaging relating to actuation systems	90% (The Company has shifted from single time use cardboard cartons to collapsible metal-bins including Air assist and full air for packaging. Such collapsible metal-bins are reclaimed from the customers.)

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

The Company demonstrates a robust commitment to respecting and promoting the well-being of all employees including those within its extended value chain. They implemented comprehensive health and safety protocols to ensure a secure and hazard free workplace. In line with its commitment to fair labour practices, the Company strictly adheres to labour laws and regulations ensuring fair wages, reasonable working hours, and the elimination of forced or child labour. The Company promotes diversity and inclusion implementing policies that ensure equal opportunities for all employees regardless of gender race or background. Furthermore, the Company provides various welfare programs aimed at improving the quality of life for its employees. Company covers employees and workers under various insurance benefits like Mediclaim Policy, Group personal Accidents policy & Employee Deposit linked insurance scheme to protect employee's family live hood. The Company have employee representing committees like Ethics, POSH, Help desk, Welfare committee, Canteen Committee, Sports Committee to resolve grievance as per policies and certified standing orders of the Company.

SDG Linkages



Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D /A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1,663	1,663	100%	1,663	100%	0	-	1,663	100%	1,663	100%
Female	366	366	100%	366	100%	366	100%	0	-	366	100%
Total	2,029	2,029	100%	2,029	100%	366	18%	1,663	82%	2,029	100%
Other than Permanent employees											
Male	0	0	-	0	-	0	-	0	-	0	-
Female	0	0	-	0	-	0	-	0	-	0	-
Total	0	0	-	0	-	0	-	0	-	0	-

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	454	454	100%	454	100%	0	-	454	100%	454	100%
Female	5	5	100%	5	100%	5	100%	-	-	5	100%
Total	459	459	100%	459	100%	5	1 %	454	99%	459	100%
Other than Permanent workers											
Male	2,216	2,216	100%	2,216	100%	0	-	0	-	0	-
Female	418	418	100%	418	100%	418	100%	0	-	0	-
Total	2,634	2,634	100%	2,634	100%	418	16%	0	-	0	-

C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of total revenue of the Company	0.38%	0.34%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	15% *	Yes	100%	50%	Yes
ESI	NA	86%	Yes	NA	50%	Yes
Others – please specify	NA	NA	NA	NA	NA	NA

*Only permanent workers are covered under gratuity scheme

3. Accessibility of workplaces

A Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company strongly believes in equal and fair opportunities to disabled persons. Further, the Company commits to assessing the requirements and intends to develop the premises/ offices accessible to differently abled employees and workers with modifications/ constructions compliant with safety regulations and emergency responses.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

The Company believes that diversity and inclusion enhance our creativity, increase our innovation power, and are key to business success. We foster a culture that celebrates differences and promotes individuality, regardless of gender, age, ethnic background, sexual orientation, or physical and neurodiversity. The Company provides equal opportunities to all its employees and to all eligible applicants for employment in the Company. It does not unfairly discriminate on any ground including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by applicable law.

Weblink: [ZF Group Compliance Code of Conduct](#)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate %	Retention rate %	Return to work rate %	Retention rate %
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	(If Yes, then give details of the mechanism in brief)
Permanent workers	Yes, there is a provision to raise any grievances in confidential. Raised grievances will be reviewed & addressed through proper channel of grievances redressal committee. We have employee representing committee like Ethics, POSH, Help desk, Welfare committee, Canteen Committee, Sports Committee to resolve grievance as per policies and certified standing orders of the Company.
Other than permanent workers	
Permanent employees	
Other than permanent employees	

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total employees / workers in respective category (A)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (B)	% (B/A)	Total employees/ workers in the respective category (C)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (D)	% (D/C)
Total Permanent Employees						
Male	NA*					
Female						
Total						
Total Permanent Workers						
Male	454	454	100%	442	442	100%
Female	5	5	100%	6	6	100%
Total	459	459	100%	448	448	100%

* Not applicable to permanent employees as they are not part of Union

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1,663	1,663	100%	1,663	100%	1,581	1,581	100%	1,549	98%
Female	366	366	100%	366	100%	321	321	100%	309	96%
Total	2,029	2,029	100%	2,029	100%	1,902	1,902	100%	1,864	98%
Workers										
Male	2,670	2,670	100%	2,670	100%	2,468	2,468	100%	2,419	98%
Female	423	423	100%	423	100%	319	319	100%	316	99%
Total	3,093	3,093	100%	3,093	100%	2,787	2,787	100%	2,731	98%

Note: The above data is for permanent employees and workers.

9. Details of performance and career development reviews of employees and workers:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1,663	1,663	100%	1,581	1,581	100%
Female	366	366	100%	321	321	100%
Total	2,029	2,029	100%	1,902	1,902	100%
Workers						
Male	454	454	100%	442	442	100%
Female	5	5	100%	6	6	100%
Total	459	459	100%	448	448	100%

Note: The above data is for permanent employees and workers.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Yes, the Company has health and safety management systems as per ISO 45001, the objective of Occupational Health and Safety Management System is reduction of occupational injuries and promoting physical and mental well-being, across all plants covering Design, Development and manufacturing activities.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

All ZF locations manage their EHS (Environment, Health & Safety) activities in alignment with the global EHA management system. The EHS management system focuses on preventing and minimising environmental, health and safety risks. The Company, as part of EHS Health management system has SHE FMEA (Safety, Health & Environment Failure mode analysis) as risk assessment methodology. SHE FMEA is a methodology that identifies hazard and assess risk and is adopted to cover all activities & processes for the routine and non-routine activities in normal, abnormal & emergency and to identify the failure mode with respect to EHS. It also addresses the gaps because it is a quantitative risk assessment methodology.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes, the Company has the Incident reporting system with 12 steps. The employees are empowered to report potential safety hazards through green fugai tag (safety abnormality tag). The supervisor will upload the green fugai tag (safety abnormality tag) into an online portal and the respective team will address it. Employees also participate in the Safety suggestion scheme, and they are rewarded for the participation. They also participate in the Quality circle to identify the EHS issues and help improve it.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, the Company has in-house Occupational health centres in all plants. There are full time medical officers in Ambattur & Mahindra City site locations and they can avail services and medicines at free of cost.

11. Details of safety related incidents, in the following format:

Safety incident/number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees	0	0
	Workers	0.64	0.24
Total recordable work-related injuries	Employees	0	0
	Workers	4	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

All employees engaged in production are mandated to complete EHS Induction, risk assessment (SHE FMEA). This financial year, as a proactive measure, The Company introduced another mandatory EHS induction training to empower employees to report incidents and provide suggestions for improvement through safety kaizens on the shopfloor. Ergonomic improvements with the support of engineering controls were implemented across high and medium risk jobs resulting in improved productivity and operator morale. This was aimed at reducing employee fatigue. For example, medium fatigue stations were identified for 99.6% low risk jobs

Every year, the March quarter is dedicated to reinforcing our commitment to Environment, Health, and Safety (EHS). This year, we broadened our focus to include Sustainability initiatives, adopting a theme-based approach centered on areas where our operations have the greatest impact in creating a safe, healthy, and sustainable workplace.

The theme for this year is:

“Be the STAR”, representing:

- Safety Champion
- Transformation Agent
- Active & Fit
- Resource Conscious

This theme is designed to drive behavioural transformation across the shopfloor, fostering adherence to EHS practices, systems, and the principles of the 5R approach - Refuse, Reduce, Reuse, Repurpose, and Recycle.

Key Highlights of the theme:

- 40+ awareness programs conducted across all sites
- 4,124 employees participated and benefitted from these initiatives
- 15 employee competitions held, including essay writing, drawing, quiz, and speech contests
- Winners were celebrated and recognised during site-wide Town Hall meetings

National Safety Day – March 04:

National Safety Day was celebrated with great enthusiasm across all sites, beginning with a Safety Pledge reaffirming our commitment to workplace safety. A variety of employee engagement activities were conducted, fostering a sense of ownership and awareness around EHS priorities.

These initiatives continue to reinforce our culture of safety and sustainability, ensuring that every employee becomes an active contributor to our long-term goals.

Strengthening Compliance and Risk Mitigation through ISO Standards and Proactive Safety Measures

As part of our commitment to excellence in Environment, Health, and Safety (EHS), the Company has successfully implemented and maintained international management system standards:

- ISO 14001 for Environmental Management Systems
- ISO 45001 for Occupational Health and Safety Management Systems

All sites have successfully completed the recertification process through the DNV certifying body, reaffirming our adherence to globally recognised EHS best practices.

Safety & Health awareness programs were organised with the quote 'Safety should start from home' at the Ambattur site for employees and family members to increase awareness on themes like safe and green home and cancer among women. This was followed by competitions organised for employee spouses and kids related to the theme which received an overwhelming response. Approximately 550 family members participated in this event which was followed by a health camp organised for the family members.

13. Number of complaints on the following made by employees and workers

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	-	0	0	-
Health & safety	0	0	-	0	0	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

All sites of ZF CVCS India were assessed by ZF Group EHS auditor. Additionally, Ambattur site, Mahindra city & Jamshedpur site were assessed for ISO 45001.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

All the EHS incidents are analyzed with A3 report-Incident investigation with why-why analysis with involving all stakeholders and reviewed with leadership and the corrective actions are implemented to prevent reoccurrence. The lesson learned from the incidents are communicated across the sites to address the similar root cause and system in place to track the same.

Any internal and external assessment observations and scope for improvements are recorded and addressed with corrective action across the sites

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. Company covers employees and workers under various insurance benefits like Medclaim Policy, Group personal Accidents policy & Employee Deposit linked insurance scheme to protect employee's family livelihood.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

As a company, we have no comprise in meeting and ensuring all statutory and legal requirements without any gaps. We have strong tools and review mechanism in place to ensure 100% compliances. Periodicals review at done by Senior Management.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25 (Current financial year)	FY 2023-24 (Previous financial year)	FY 2024-25 (Current financial year)	FY 2023-24 (Previous financial year)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes. Company provide transition assistance programs through an external vendor / professional consultants to support employees termination due to performance gaps and other than integrity grounds.

5. Details on assessment of value chain partner:

Details on assessment of value chain partners:	% of Tier 1 Suppliers and Customers (by value of business done with such partners) that were assessed
Health and safety practices	% of vendor - 42.7(No physical assessment, but ESG self-assessment declaration made by supply chain partners where EHS is covered)
Working Conditions	% of vendor - 42.7(No physical assessment, but ESG self-assessment declaration made by supply chain partners where EHS is covered)

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

None

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

The Company is a part of the Commercial Vehicle Solutions (CVS) division of the ZF Group. The vision of the Company is to help shape the future of commercial transport systems in India. By leveraging synergies with ZF group the Company is uniquely positioned to offer the next generation of solutions and services for commercial vehicles and fleets in India and the world over. By means of its offerings, the Company aims to enhance their efficiency, safety, connectivity, intelligence, and automation. The Company uses its capacity to innovate, integrate, and advance CV vehicle controls systems under the auspices of ZF's Vision for Next Generation Mobility. It also sets the pace to address the issues facing India's commercial transportation sector, generating sustainable value for stakeholders, customers, and employees. Through the utilisation of commercial vehicle intelligence, the Company supports ZF Group's corporate strategy aimed at 'Next Generation Mobility'.

SDG Linkages**Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

A Core Stakeholder is any individual or group of individuals or institutions that adds value to the business chain of the corporation or is materially affected by entity's decision. The Company is in the business of providing vehicle actuation systems for commercial vehicles and is aware that the products and services directly impact various stakeholders which includes users of commercial vehicles, its vendors, customers, community at large and investors. At present, the given stakeholder groups identified have immediate impact on the operations and working of the Company. At ZF CVCS, we recognise stakeholder engagement as an integral part of our operations. We strive to create long-term sustainable value for all our stakeholders including employees, customers, investors, suppliers, and communities. In order to do so, we regularly engage and collaborate with our stakeholders to develop an understanding of their needs and expectations. Thus, the Company has programmes to directly interact with the stakeholders and provide value through economic returns and training to improve awareness thereby improving safety on roads and ergonomics.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Intranet Portal, Senior Leader's Communication / Talks/ Forums, Town Hall briefings, Emails, Regular Employee Communication Forums	Ongoing	Employee engagement activities, Training, awareness and welfare programmes, Brand communication, Health, Safety and Engagement initiatives
Customers	No	On a need basis through multiple channels like physical, digital, etc.	Ongoing	Product quality and availability, responsiveness to needs, aftersales service, responsible guidelines / manufacturing, climate change disclosures, life cycle assessment, Business related discussions, Awareness and training programmes, workshops and seminars

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers and Vendors	No	Supplier and Vendor meets, Face-to face and electronic correspondence, Supplier Audits	Ongoing	Quality, timely delivery and payments, ESG consideration (sustainability, safety checks, compliances, ethical behaviour), ISO and OHSAS standards, collaboration and digitalisation opportunities
Investors / Shareholders	No	Email, Newspaper, Advertisement, Website, Annual General Meeting, shareholder meets, email, Stock Exchange (SE) intimations, investor / analysts meet / conference calls, Annual report, quarterly results and investor meetings / conferences, media releases, Company website	Ongoing	Share price appreciation, dividends, profitability and financial stability, robust ESG practices, climate change risks, cyber risks, growth prospects
Community	No	Meets (of community / local authority), community visits and projects, partnership with local charities, volunteerism, seminars / Conferences, Community surveys and consultations, CSR Initiatives, Community Events	Ongoing	Community development, Self-sustainability, Livelihood support, Disaster relief
Regulatory and government bodies	No	Strategic representation and meetings with government agencies. Representation through trade bodies	Ongoing	Obtaining permissions / licenses / clarifications/ waivers /business development approvals/vendor and logistical support /recoveries as per group requirement

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the board.**

The Company regularly interacts with key stakeholders i.e. investors, customers, suppliers, employees, etc. Engagements with the relevant stakeholders by the Company are discussed with the Board on the varying topics of economic, environmental and social issues on a regular basis. Further, various aspects of the risk related to ESG are discussed in our risk management committee.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.**

The Company believes in continuous improvement in its objective to achieve sustainability under the environment, social and governance aspects. The Company conducted a stakeholder surveys to identify material issues covering the aspects of environmental, social and governance. Based on the inputs, the Company identified key material topics as focus areas from ESG perspective to improves and revises the policies and activities to better address the key developments across the identified topic.

- 3. Provide details of instances of engagement with, and actions are taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

The Company promotes equal opportunities to the vulnerable / marginalised stakeholder groups. The Company conducts training and development camps for drivers, to promote awareness on road safety. The Company also facilitates health check-ups and supplies medical equipment to hospitals to provide health care support to marginalised communities. The Company also engages in infrastructure development for schools to upgrade the basic facilities to help enhance skill development for the vulnerable groups.

Principle 5: Businesses should respect and promote human rights

The Company is committed to respecting and promoting human rights across all aspects of its operations. The Company ensures that its policies and practices are aligned with international human rights standards by creating a work environment where every individual is treated with dignity and respect and by maintaining a zero-tolerance approach to any form of harassment or forced labour. By fostering a culture of respect and accountability, the Company not only upholds human rights within its own operations but also influences its entire value chain to adhere to these principles.

SDG Linkages**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2,029	2,029	100%	1,902	1,902	100%
Other than permanent	0	0	100%	0	0	100%
Total employees	2,029	2,029	100%	1,902	1,902	100%
Workers						
Permanent	459	459	100%	448	448	100%
Other than permanent	2,634	2,634	100%	2,330	2,330	100%
Total workers	3,093	3,093	100%	2,778	2,778	100%

2. Details of minimum wages paid to employees and workers

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	1,663	0	0%	1,663	100%	1,581	0	0%	1,581	100%
Female	366	0	0%	366	100%	321	0	0%	321	100%
Other than permanent										
Male	0	0	-	0	-	0	0	-	0	-
Female	0	0	-	0	-	0	0	-	0	-
Workers										
Permanent										
Male	454	0	0%	454	100%	442	0	0%	442	100%
Female	5	0	0%	5	100%	6	0	0%	6	100%
Other than permanent										
Male	2,216	0	0%	2,216	100%	2,019	0	0%	2,019	100%
Female	418	0	0%	418	100%	311	0	0%	311	100%

2. a. Details of remuneration/salary/wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) Executive	1	41,310,369	0	-
Key managerial personnel*	1	41,310,369	2	8,698,501
Employees other than BoD and KMP	1,662	1,477,686	364	1,033,308
Workers	454	495,361	5	530,821

*KMP under male category, includes MD also

b. Gross wages paid to females as % of total wages paid by the entity, in the following format

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	14.01%	13%

3. Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. Ethics Committee, Notified Factory Welfare officer & Safety officer are responsible for addressing human rights impacts and issues inside the Company to employees and to public.

4. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes. Appropriate redressal committee review and address the grievances related to human rights issues.

5. Number of complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed During the year	Pending resolution at the end of year	Remarks
Sexual harassment	2	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child labour	Nil	Nil	-	Nil	Nil	-
Forced labour/Involuntary labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights-related issues	Nil	Nil	-	Nil	Nil	-

6. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	Nil
Complaints on POSH as a % of female employees / workers	0.25	Nil
Complaints on POSH upheld	2	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Various external & internal training sessions conducted for employee awareness periodically. Company has appointed representing senior and middle management employees as POSH committee with equal representation of Male and female to address and resolve issues related discrimination and harassment cases.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Company has appointed representing senior and middle management employees as POSH committee with equal representation of Male and female to address and resolve issues related discrimination and harassment cases.

9. Assessments of the year

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

The Company has detailed procedure in identifying & assessing High risk, High impacts activities & concerns to work on mitigation plan and the same has been reviewed religiously and periodically.

Leadership Indicators**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

No business processes have been modified due to Human Rights as there were no grievances in the reporting period.

2. Details of the scope and coverage of any Human rights due diligence conducted.

No human rights due diligence has been conducted in the current reporting period.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the premise is accessible to differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	-
Discrimination at Workplace	-
Child Labour	-
Forced Labour/Involuntary Labour	-
Wages	-
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No assessment has been carried out.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

The Company conducts its business as a manufacturer responsibly, ensuring compliance with legal requirements and internal standards worldwide. In the realm of environmental management, adhering to regulations is a fundamental concern. Legal developments are monitored and assessed, and measures are taken as needed at all sites to comply with local regulations.

SDG Linkages



Essential Indicators

FY 2024-25: The PPP conversion factor 20.66 is based on data published by International Monetary Fund for the year 2025 has been used across the entire principle 6 for the calculation intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) calculation.

FY 2023-24: The PPP conversion factor 22.88 is based on data published by World Bank for India for the year 2022 has been used across the entire principle 6 for the calculation intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) calculation.

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A) MJ	83,301,613.20	55,169,924
Total fuel consumption (B) MJ	-	-
Energy consumption through other sources (C) MJ	-	-
Total energy consumed from renewable sources (A+B+C) MJ	83,301,613.20	55,169,924
From non-renewable sources		
Total electricity consumption (D)	29,624,191.20	48,402,713
Total fuel consumption (E)	16,309,382.40	18,845,692
Energy consumption through other sources (F)	-	-
Total energy consumption (D+E+F)	45,933,573.60	67,248,405
Total energy consumed (A+B+C+D+E+F)	129,235,186.80	122,418,329
Energy intensity per rupee of turnover KJ/INR (Total energy consumption/ turnover in rupees)	3.40	3.24
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	70.19	74.03
Energy intensity in terms of physical output Energy intensity– the relevant metric may be selected by the entity (GJ/MT)	2.43	2.26

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, independent assessment/ evaluation/assurance has been carried out.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

Not applicable.

There are no sites/facilities that have been identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	16,883	18,765
(iii) Third-party water (municipal water supplies)	68,986	73,490
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	85,869	92,255
Total volume of water consumption (in kilolitres)	85,869	92,255
Water intensity per rupee of turnover (Total water consumption/ Revenue from Operations)	22.6	24.4
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	466.4	558.9
Water intensity in terms of physical output	1.6	1.7
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Provide the following details related to water discharged

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	All ZF CVCS plants are ZLD* and hence there is no water discharge.	
No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater		
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater		
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

*Zero Liquid Discharge

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, independent assessment/ evaluation/assurance has been carried out.

5. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.

Yes. The Company has installed wastewater treatment systems in three sites in which wastewater is generated and then it is taken into an Effluent Treatment Plant (ETP), for treatment and reuse. Rejected water that does not meet applicable reclaimed water standards after treatment is sent for evaporation. The Company also treats its Domestic wastewater (water used inside the Company's office premises) which is reused for gardening and toilet flushing purposes. The Company also ensures that no untreated water is being let into ground and drain to ensure Zero Liquid Discharge (ZLD).

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY 2024-25	FY 2023-24
NO _x	MT	0.74	0.812
SO _x	MT	BDL	BDL
Particulate matter (PM)	MT	0.013	0.014
Persistent organic pollutants (POP)	MT	0	0
Volatile organic compounds (VOC)	MT	0	0
Hazardous air pollutants (HAP)	MT	0	0
Others – ozone-depleting substances (HCFC - 22 or R-22)	MT	0	0

*Below Detection Limits

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, independent assessment/ evaluation/assurance has been carried out.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,763	1,817.32
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5,891.92	9,546.1#
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent/ crores Rupees	2.01	3
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjustment for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO ₂ equivalent/ INR crores	41.57	68.7
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO ₂ equivalent/ Ton of product	0.1	0.2

#There is significant reduction in the Scope 2 emissions for the current FY because of the organisations initiatives to utilise more renewable sources of energy.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, independent assessment/ evaluation/assurance has been carried out.

8. Does the entity have any project related to reducing greenhouse gas emission? If Yes, then provide details.

- Decarbonization initiatives are rolled out across the sites to reduce 80% emissions by 2030 in scope 1&2.
- Fossil fuels are mapped across the operations activities and the road map are prepared to reduce the emission.
- To reduce the fossil fuel reduction, our Ambattur kitchen where the high-speed diesel is being used for canteen steam generation which is replaced with Electrical induction vessel wherein approx. 66000 Liters/annum diesel is eliminated in turn we avoided 151 tons of CO_e.
- Similarly, we have changed the Jamshedpur kitchen from LPG based cooking to Electrical induction vessel, wherein approx. 8.6 tons of LPG/annum is eliminated in turn we avoided approx.20.7 tons of CO_e/annum.
- During the FY 2024-25, We have prepared a roadmap to reduce GHG in the forthcoming years and increased the usage of renewable energy to reduce our emission intensity. In the current financial year the renewable energy consumption has increased from 40% to 74% there by reducing our Scope 2 emission.

- To promote renewable energy, we have installed onsite roof solar of 500KWp to support 25% of plant renewable energy at Jamshedpur site where the roof solar will generate approx.670 MWH/annum and reduce 484 tons of Co₂e/annum.
- Roof solar with a capacity of 60KWP installed at Pant Nagar site to support 40% renewable energy of plant energy, where the roof solar will generate approx.88 MWH/annum and reduce 63 tons of Co₂e/annum.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25	FY 2023-24
Total waste generated (in metric tonnes)		
Plastic waste (A)	70.1	198.87
E-waste (B)	6.9	0.233
Bio-medical waste (C)	0.041	0.0177
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	118.7	119.932
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	5,531.772	4,433.297
Total (A+B + C + D + E + F + G + H)	5,728	4,752
Waste intensity per rupee of turnover (Total waste generated/ Revenue from Operations)	1.5	1.3
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	31	28.74
Waste intensity in terms of physical output	0.1	0.1
Waste intensity (optional) - the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	4,875.804	4,433.297
(ii) Re-used	513.865	-
(iii) Other recovery operations	-	-
Total	5,389.669	4,433.297
For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	3.260	49.215
(ii) Landfilling	-	69.407
(iii) Other disposal operations	-	-
Total	3.260	118.6

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, independent assessment/ evaluation/assurance has been carried out

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As part of zero waste to landfill & incineration, Ambattur plant signed a contract with waste recycler to reuse our hazardous waste to cement industry co-processing and we will extend the same to Mahindra city in the FY 2024-25. Further, the Company has adopted a strong waste management system that supports the operations of the Company to properly segregate waste at source.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
No locations in operation near ecological sensitives areas			

12. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (yes/no)	Relevant Web link
Not applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (prevention and control of pollution) Act, Air (prevention and control of pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances:

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
None				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) For each facility / plant located in areas of water stress, provide the following information:
(ii) Name of the area: Chennai - Ambattur
(iii) Nature of operations: Machining and assembly of braking solutions for automotive industry

Water withdrawal by source (in kilolitres)	FY 2024-25	FY 2023-24
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	28,596	33,235
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	28,596	33,235
Total volume of water consumption (in kilolitres)	28,596	33,235
Water intensity per rupee of turnover (Water consumed / turnover)	7.52	8.78
Water intensity (optional) – the relevant metric may be selected by the entity	0.5	0.6

Water withdrawal by source (in kilolitres)	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	29,848	29,874
Total water discharged (in kilolitres)	29,848	29,874

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment by external agency is being carried out

2. Please provide details of total Scope 3 emissions & their intensity:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	123,475	125,419
Total Scope 3 emissions per rupee of turnover	tCO ₂ e/INR crores	32.46	33.15
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e/Metric Tonnes	2.32	2.32

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment by external agency has been carried out

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Our Manufacturing and R&D Facilities does not falls under the ecologically sensitive areas, hence there is no impact assessment have been carried out

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives:

S. No	Type	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Renewable energy	Group captive solar power PPA signed	10 MU/annum of solar & wind long term contract signed for Chennai sites to increase Renewable energy 500KW P onsite roof solar installed at JSR site to support 25% RE 60KW P onsite roof solar installed at Pantnagar site to support 40% RE	Increased in renewable energy to 71%
2.	Water recycles	Water recycled and used in process	Recycled process wastewater through RO treatment and treated water is now reused for domestic applications	Annual water savings of 1,560 KLD

S. No	Type	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
3.	Zero waste to landfill	Hazardous waste disposed to alternate fuel purpose	Hazardous waste from process as disposed to 3rd party and reused in cement coprocessing process	100% of hazardous waste reused for cement coprocessing at Mahindra World City Plant - 40 tons
4.	Energy efficiency	Improve energy efficiency in HVAC	Implementation of Heat Pump for 10 washing machines instead of Electrical Heaters at Ambattur plant	Energy savings of 96K units / annum

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has Risk Assessment Process. The committee comprises of site leadership team with the process owner being the Regional Operations officer. The operating procedures involves identifying the existing processes, identify risk/ opportunities factor, analyse what are the potential effect for risk/ opportunities factor, evaluate severity, occurrence and risk number and then decide on the action to be taken and the frequency of review. Risks addressed include natural calamities, IT security risks, production related risks, supply chain related risks. The Company conducts an annual review of the complete risk assessment process in the entire operations activity.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant impact have been identified in the current reporting period. Various measures like CO₂ reduction target, green electricity, Product Carbon Footprint calculation (PCF) are being implemented to prevent any adverse impact on the environment.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not physically, The ESG impacts of value chain partners was covered as part of ESG assessment self-declaration

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

The Company publicly discloses its policy positions, advocacy activities, and the principles guiding its interactions with policymakers. This openness ensures that stakeholders are fully informed about the Company's efforts to influence public policy and the rationale behind its positions. The Company also adheres to stringent compliance protocols to ensure that all advocacy activities are conducted within the legal framework and ethical guidelines. Moreover, the Company is actively involved in several industry and trade associations, contributing significantly to these forums.

SDG Linkages



Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

ZF CVCS is affiliated to the following 10 industry chambers and associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industries (CII)	National
2	Automotive Components Manufacturers Association (ACCA)	National
3	Society of Automobile Engineers (SAE)	International
4	Madras Management Association (MMA)	State
5	Madras Chamber of Commerce and Industry (MCCI)	State
6	Indo-German Chamber of Commerce	International
7	Indo-American Chamber of Commerce	International
8	Quality circle forum of India	National
9	National Institute of quality & reliability	National
10	Indian Foundation for Quality Management	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No case was filed by any stakeholder against ZF CVCS regarding unfair trade practices and anti-competitive behaviour during the financial year.		

Leadership Indicators

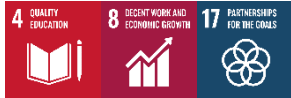
1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/ No)	Frequency of review by board (Annually/ half yearly/ quarterly / others – please specify)	Web-link, if available
1	ABS for Commercial Vehicles (2013)	Public event, Technology Demonstration at Test Track	No	NA	PressReader.com - Digital Newspaper & Magazine Subscriptions

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/ No)	Frequency of review by board (Annually/ half yearly/ quarterly / others – please specify)	Web-link, if available
2	Electronic Stability Control (ESC) - 2017	Public event, Technology launch at Test Track	No	NA	WABCO INDIA Showcases Control Electronic Stability Control (globenewswire.com)
3	Intelligent Trailer Program (ITP) - 2018 (to promote trailer ABS)	Public event, Technology launch at Test Track	No	NA	Intelligent trailer program: Wabco launches Intelligent Trailer Program in India, Auto News, ET Auto (indiatimes.com)
4	Advanced Driver Assistance Systems like Lane Departure Warning, Collision Mitigation system, Collision Avoidance System,etc.	Representing ZF Group in AISC (Automotive Industry Standards Committee), CMVR TSC (Central Motor Vehicle Rules Technical Standing Committee), TED (Transport Engineering Department) to share technical know-how for preparing various standards suitable for India	Yes	NA	NA
5	Technology Road Maps for India	Representing ZF Group at TSR Committee (Technical, Safety and Regulations committee) of Automotive Components Manufacturers Association (ACMA) to define and align technology roadmaps	Yes	NA	NA
6	Automotive Industry Standard	Representing ZF Group at AISC Panel On Advanced Emergency Braking Systems (AEBS) of The Automotive Research Association of India in laying down Automotive Industry Standard	yes	NA	ARAI's Automotive Industry Standard (https://www.araiindia.com/downloads)

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

The Company recognises the importance of economic and social progress that benefits all stakeholders, including employees, customers, suppliers, and the communities in which it operates. By fostering inclusive business practices and partnerships, the Company seeks to create opportunities for social economic advancement thereby contributing to a more equitable society.

SDG Linkages**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
-	-	-	-	-	-

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

S No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company undertakes various CSR activities that address the needs of the community in and around the factory premises. The Company reaches out to the communities, especially the vulnerable groups and addresses their grievances by implementing required CSR activities

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	40.99%	45.45%
Directly from within India	79.92%	82.71%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

	FY 2024-25	FY 2023-24
Rural	36%	42%
Semi-urban	Nil	Nil
Urban	9%	7%
Metropolitan	55%	51%

(Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

*Note: The above data has not been reported in the previous year.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
-	-	-	-
-	-	-	-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No) – No, The Company follows a standardised procurement policy across all suppliers and vendors
- (b) From which marginalised /vulnerable groups do you procure? - Not Applicable
- (c) What percentage of total procurement (by value) does it constitute? - Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared	Basis of calculating benefit share
Nil				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not applicable as there were no adverse orders in intellectual property related disputes	-	-

6. Details of beneficiaries of CSR projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Medical Equipment support for 4 UPHCs of Zone 7, Ambattur (Scan Machine - 3 nos, Auto Clave- 3 nos & Microscope- 1 no)	6,000	100%
2	Supply of 100 pairs of Classroom Tables and Bench to Government Inter College at Barabanki, Lucknow	300 STUDENTS	100%
3	Upgradation of Operation Theatre at Perambakkam PHC	1,000	100%
4	AMC for Solar based street lights, Solar based High mast light	More than 80,000	80%
5	Periodic maintenance of Toilets (Athipet School, Mahila Thana, Police line school & Jamshedpur school)	MORE THAN 1,000 PEOPLE PER MONTH	100%
6	KK Nagar O ₂ Plant 2 nd Year AMC	More than 5,000	80%
7	Construction of Rural Road from Mappedu Road to Hussain Nagar - 1.5KM	2,000	80%
8	TSC equipments to STUs regional workshop (4 Locations)	150 Technicians and Students per year	80%
9	Braking system working model to Driver Training Institute of STUs (7 locations)	7,080 drivers & 2,400 technicians of MTC, APSRTC and TSRTC	100%

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
10	Installation of 4 nos. Solar Traffic Signal 4-way at Gamharia Main Road, Jamshedpur	More than 10,000 people per day	80%
11	Installation of Solar Traffic Signal 3-way 5 nos at Gamharia Main Road, Jamshedpur	More than 10,000 people per day	80%
12	Construction of Kitchen facility for mid-day meal at Govt. Middle School, Uperbera, Jamshedpur	300 Students	100%
13	Renovation of Football Ground & Stage at Uperbera Village, Jamshedpur	More than 1,500 villagers	80%
14	Tree plantation around football ground at Uperbera	More than 1,500 villagers	80%
15	Drinking Water Facility at Uperbera Village with overhead tank & Solar operated motor	More than 3,000 villagers	80%
16	Installation of Solar Power System at 7 PHCs at Chengalpet District	7000	85%
17	Supply of 200 Pairs of Class Room Study Table and Bench to Government Inter College at Barabanki, Lucknow	600 STUDENTS	100%
18	Installation of Solar Traffic Signal at Ambattur & Avadi area (5 Locations)	50,000	60%
19	Installation of Solar Street lights 50 nos (Double arm) at Ambattur & Avadi	6,000	75%
20	Installation of Solar High Mast lights 3 nos at Ambattur area	7,000	65%
21	Installation of Solar Street Lights (Single arm) 50 nos. Alinjivakkam to Poovalli kuppam village Streets	2,500	95%
22	Training to trainer/technicians/drivers at STUs & Transport Nagar	950 drivers & 680 technicians from private fleets and garages	80%
23	Physics, Chemistry and Computer lab set up at Govt. Polytechnic Harakh, Lucknow	More than 500 students per year	80%
24	Installation of 2 nos. Solar based Traffic signals and 1 no. High mast Light, Barabanki, Lucknow	More than 1 lakh citizens of Barabanki District	60%
25	X-Ray Machine for Perambakkam PHC	More than 5,000	100%
26	Road Safety working models 3 nos servicing (changing hoses and electrical connections etc)	More than 100	90%
27	Providing laptops to underprivileged students (10 Nos.) to support educational advancement	10	100%
28	Expenditure incurred on NAPS Trainees	500	80%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

The Company's responsible corporate governance, compliance, and exceptional products and services have garnered recognition and trust from its customers. The goal is to uphold the Company's dedication and the high regard it has achieved going forward. The Company sees customers as essential partners or members of the marketplace team, crucial for the Company's growth and success.

SDG Linkages



Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have a dedicated Key account team for each customer having regular interaction with the customers on day today activities on QCD and receives customer requirements /Feedback/ Complaints and work closely with them to support / solve the issues.

For new Product development & application projects, we will have a separate weekly call with the Product Development team of customer and publish the progress and Key actions on both the sides. A dedicated commercial excellence team is there to address the commercial settlement with the customer.

Apart from this, on yearly basis the Company conducts a customer satisfaction survey annually to capture both complaints and feedback. The responses are then grouped into attributes like Supplier relationship management, logistics, quality, innovation, competitiveness and programme projects to analyse the responses and score the performance. This analysis is then used for identifying the reasons for the deterioration of scores, if any, and to address the correct course of action.

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:

	As a % to total turnover
Environmental and social parameters relevant to the product	0%
Safe and responsible usage	13% *
Recycling and/or safe disposal	0%

*SBA and Air Processing (Air Drier, DDU, ASP) will have indication of safe usage due to loaded spring assembled inside which are mandatory in nature. We provide 100% of safety instruction on mandatory requirements.

3. Number of consumer complaints in respect of the following:

	FY 2024-25		Remarks	FY 2023-24		Remarks
	Receive during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	-	-	Nil	-	-
Advertising	Nil	-	-	Nil	-	-
Cyber-security	Nil	-	-	Nil	-	-
Delivery of essential services	Nil	-	-	Nil	-	-
Restrictive trade practices	Nil	-	-	Nil	-	-
Unfair trade practices	Nil	-	-	Nil	-	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for Recall
Voluntary Recalls	0	N/A
Forced Recalls	0	N/A

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? If available, provide a web link to the policy.

Yes, ZF CVCS has a global framework and policy on cyber security. This policy covers Corporate Security Incident & Emergency Management, Cyber Security Crisis Response Process, Crisis management, Information security management policy, etc.

Link to Policy:

https://www.zf.com/master/media/en/corporate/m_zf_com/meta/eu_data_protection/zf_eu_notice_for_customers_and_business_partners_de.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

Not applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches	No data incidents and/or breaches were reported (as per WIG 20-0234 CRISIS and Incident management) to Corporate Security (GCSA) / IT Infrastructure and Operations (FIIC) / India IT BRM head (FIBK), since April 2024 till March 2025
b. Percentage of data breaches involving personally identifiable information of customers -	
c. Impact, if any, of the data breaches -	

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Details could be found as follows:

Website: <https://www.zf.com/products/en/cv/home/cv.html>

LinkedIn: <https://www.linkedin.com/showcase/cv-at-zf/>

Customer Helpline (AM): 1800 - 102 - 4770

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company has maintained its position as a trusted partner in the value chain due to its focus on quality delivery of customer services as prime positioning. The Company conducts 40 road awareness training sessions each month on road safety across Authorised Service Centres, Wholesale Distributors, State Transport Undertaking offices, fleet operators, army workshop / office on the products and services.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company is involved in continuous communication with the customers to inform any risk of disruption of any essential services. Dedicated sales and customer support teams have consistent communication to keep the customers abreast of any issues in the supply chain. In critical situations like force majeure, a task force is typically formed to track, communicate, and monitor the situation until resolution.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) -

As per regulations, The Company adheres displaying the mandatory legal information across its products. This is approved by the Customers during the development process. The Company also provides weblinks to its aftermarket products and parts finder. Online Product Catalog - Aftermarket: https://aftermarket.zf.com/en/aftermarket-portal/services-and-support/catalog/#/Parts_Finder (Retailers can place orders through Wholesale Distributors): https://www.wabco-customercentre.com/catalog/en_IN?cclcl=en_IN

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on code of governance

Company as a good corporate citizen believes in transparency, professionalism, accountability and ethical corporate behaviour and fairness to all stakeholders, which are the basic principles of Corporate Governance. The Company constantly endeavours to improve on these aspects thereby paving the way for excellence.

Our corporate governance is reinforced through the Company's Code of Conduct and Ethics, corporate governance policy and guidelines and committee charters. Our Board and Management processes, various audits including ZF Group's corporate audit, and internal control systems reflect the corporate governance principles. This report gives a comprehensive look at how our governance adheres to the governance framework.

Company follows the Policy and guidelines for corporate governance as established by the Board of the Company. These are framed in conjunction with the Company's Memorandum & Articles of Association, the charters of the committees of the Board and applicable laws / regulations / guidelines in force in India and these guidelines can be accessed on our website, at https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html. These guidelines ensure that the Board has the necessary authority and processes to review and evaluate our operations as and when required.

2. Board of Directors

2.1 Composition and category of Directors:

As on March 31, 2025, the Board of Directors ('the Board') comprised of 8 Directors as follows:-

- Mr. Akash Passey, Non-Executive & Non-Independent Director (as Chairman#)
- Mr. P Kaniappan, Managing Director
- Mr. Mahesh Chhabria, Independent Director
- Ms. Amrita Verma Chowdhury, Independent Director
- Ms. Rashmi Urdhwareshe, Independent Director
- Mr. Neeraj Sagar, Independent Director*
- Dr. Christian Brenneke, Non-Executive Non-Independent Director
- Mr. Philippe Colpron, Non-Executive Non-Independent Director

- Appointed w.e.f. May 22, 2024

* - Appointed w.e.f. May 22, 2024

In addition to the above, the following changes occurred in the composition of the Board as on the date of this report,

- Since, Mr. P. Kaniappan's tenure as the Managing Director of the Company will be expiring with effect from the close of business hours on June 30, 2025, Mr. Paramjit Singh Chadha was appointed by the Board of Directors as the Managing Director of the Company, with effect from July 01, 2025 to December 31, 2027 (both days inclusive), at their meeting held on February 06, 2025, subject to approval by the shareholders.
- Mr. Philippe Colpron, Non-Executive Director, who is liable to retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment, has expressed his unwillingness for the re-appointment due to his increased responsibilities and commitments of being the Executive Vice President - Aftermarket of the ZF Group (B Division), hence, would not be re-appointed.
- Mr. Mahesh Chhabria has been re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from May 16, 2025 to May 15, 2030. Subject to the approval of Shareholders.
- A proposal for appointment of Dr. Lars Orlik (DIN: 10390472) as Non-Executive and Non-Independent Director liable to retire by rotation, by the Shareholders of the Company, is included in the ensuing AGM Notice.

During the financial year 2024-25, since the Board had a regular Non-Executive and Non-Independent Director as Chairperson who is related to the promoter of the Company, the required composition of Independent Directors was at least half of the total strength of the Board, as per Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Company complied with the above Listing Regulations during the financial year 2024-25, and as on the date of this report, the Independent Directors comprises 50% of the Board's total strength, which includes two Women Independent Directors, majority of Directors are Non-Executive Directors and none of the Directors are related to each other. Further, all the Non-Independent Directors, except the Managing Director, are liable to retire by rotation.

2.2 Board meetings and Attendance:

The Company, in consultation with the Directors, prepares and circulates a tentative annual calendar for the meetings of the committees/Board to assist the Directors for planning their schedules to participate in the meetings. During FY 2024-25, the Board met four times and the gap between two meetings did not exceed 120 days. Attendance of the Directors for the meetings held during FY 2024-25, is as follows:

Attendance Particulars								
Name of the Director	AGM held on July 22, 2024	Board Meetings				No. of meetings held during Tenure	Present	% of attendance in Board meeting
		1	2	3	4			
		May 24, 2024	July 22, 2024	November 08, 2024	February 06, 2025			
Akash Passey						4	4	100%
P. Kaniappan						4	4	100%
Mahesh Chhabria						4	4	100%
Neeraj Sagar						4	4	100%
Amrita Verma Chowdhury						4	4	100%
Rashmi Urdhwareshe						4	4	100%
Philippe Colpron				L		4	3	75%
Christian Brenneke						4	4	100%
% of attendance	100%	100%	100%	87.50%	100%			

  - Present  - Attended through VC L – Leave of absence NA – Not Applicable

2.3 Directorships and committee memberships in other companies as on March 31, 2025

Name of Director	No. of Directorship in other Cos.*	Membership of Committees in other Public Cos. including this Company#@	Chairmanship of Committees in other Public Cos. including the Company@
Mr. Akash Passey	-	1	1
Mr. P. Kaniappan	1	1	-
Mr. Mahesh Chhabria	7	7	2
Mr. Neeraj Sagar	1	1	-
Ms. Amrita Verma Chowdhury	7	5	-
Ms. Rashmi Urdhwareshe	8	7	1
Mr. Philippe Colpron	-	1	-
Dr. Christian Brenneke	-	1	-

*: Company Directorships includes directorships in all listed and Indian Public limited companies and excludes Private limited companies and Foreign Companies.

#: includes committees where the Director is also chairman.

@: Memberships and chairmanship of Audit and Stakeholders relationship committee.

Names of other listed entities where the above Directors hold Directorships:

Director	Name of the Listed Company	Designation
P Kaniappan	Sundaram-Clayton Limited	Independent Director
Mahesh Chhabria	Kirloskar Oil Engines Limited *	Director
	Kirloskar Industries Limited *	Managing Director
	Kirloskar Ferrous Industries Limited *	Director
	Kirloskar Pneumatic Company Limited *	Director
	Shoppers Stop Limited	Independent Director
Neeraj Sagar	Brainbees Solutions Limited	Independent Director
Amrita Verma Chowdhury	Simmonds Marshall Limited	Independent Director
	Mahindra Lifespace Developers Limited	Independent Director
	NESCO Limited	Independent Director
Rashmi Urdhwareshe	Uno Minda Limited	Independent Director
	Bimetal Bearings Limited	Independent Director
	Sterling tools Limited	Independent Director

*Retired with effect from close of business hours of March 31, 2025

None of the Directors is a member in more than 10 Board level committees or Chairman of more than 5 such committees of listed companies, as specified under Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), across all the Indian Public Companies, in which he/she is a Director. Also, None of the Independent Directors serve as an Independent Director in more than 7 (Seven) listed companies as specified under Regulation 26 and Regulation 17A of the Listing Regulations.

2.4 Inter-se relationship between Directors:

None of the Directors are related to each other.

2.5 Number of shares and convertible instruments held by Non- executive Directors:

Mr. Mahesh Chhabria along with his relatives and HUF wherein he is a member holds 1,475 shares in the Company. None of the other Directors hold any shares and convertible instruments in the Company.

2.6 Access to information and updating to Directors:

The Board reviews all information provided periodically for discussion and consideration at its meetings in terms of Listing Regulation including minimum information to be placed at each Meeting. Functional heads are present at the Meeting at regular intervals and appraised the Board about the developments. Apart from this, the observations of audit carried out by the internal auditors are placed before the audit committee of the Board. The Board also reviews the declarations made by the Managing Director, Company Secretary, General Manager - Tax and Legal Officer of the Company regarding compliance of all applicable laws on quarterly basis.

2.7 Code of Business Conduct and Ethics for Board and Senior management personnel

The Company has in place the Code of Business Conduct and Ethics for Board and Senior Management personnel (the Code) as approved by the Board. The Code has been communicated to Directors and the members of the senior management. The Code has

also been displayed on the Company's website: [ZF CV India Investor Relations](#).

All the Directors and Senior management personnel have affirmed compliance with the Code for the year ended March 31, 2025. The annual report contains a declaration to this effect signed by the Managing Director of the Company.

2.8 Appointment of Directors:

In terms of Regulation 36(3) of the Listing Regulation, a brief resume of the Directors proposed to be appointed/re-appointed, the nature of their expertise in specific functional areas, their Directorships in other listed entities and committee memberships along with the details of listed entities from which they have resigned in the past three years, their shareholdings, and their relationships with other Directors, as well as the details of skills and capabilities required for the role and the manner in which the proposed Independent Director meets such requirements, are provided in the notice convening the ensuing Annual General Meeting of the Company.

2.9 Criteria of Independence

Based on the disclosures received from all the Independent Directors and in the opinion of the Board, the Independent Directors fulfil the criteria of independence as specified in the Companies Act, 2013, the rules notified thereunder as well as Listing Regulations and are independent of the Management.

2.10 Details of Familiarisation Programmes

All new Non-Executive Independent Directors inducted to the Board are introduced to our Company culture through orientation sessions. The details of the familiarisation programme are also available on the Company's website, at [ZF CV India Investor Relations](#).

2.11 Skills / expertise / competencies of the Board of Directors

The list of core skills/expertise/competencies required are available with the Board and names of Directors as on date who have such skills/expertise/competencies in the context of the business of the Company for its effective functioning is as follows:

	Key Skills/ competencies/ Expertise	Akash Passey	P Kaniappan	Mahesh Chhabria	Neeraj Sagar	Amrita Verma Chowdhury	Rashmi Urdhwareshe	Christian Brenneke	Philippe Colpron
A	Technical								
1	Finance	✓	✓	✓		✓			
2	Law			✓					
3	Management	✓	✓	✓	✓	✓	✓	✓	✓
4	Sales & Marketing	✓	✓	✓	✓	✓			✓
5	Manufacturing & Operations	✓	✓	✓	✓	✓	✓	✓	✓
6	Research & Development					✓	✓	✓	
7	Human Resources	✓	✓	✓	✓	✓	✓	✓	✓
B	Industry experience								
1	Economy	✓	✓	✓	✓	✓	✓	✓	✓
2	Industry	✓	✓	✓	✓	✓	✓	✓	✓
3	Business Sector	✓	✓	✓			✓	✓	✓
C	Governance experience								
1	Compliance	✓	✓	✓	✓		✓		
2	Statutory Laws		✓	✓					
3	Risk Management	✓	✓	✓	✓	✓	✓	✓	✓
4	Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓
D	Other Skills								
1	Communication & Interpersonal	✓	✓	✓	✓	✓	✓	✓	✓
2	Public Relations	✓	✓	✓	✓	✓	✓	✓	✓
3	Corporate Restructuring	✓		✓				✓	✓

3. Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures with transparency, integrity and quality of financial reporting.

Other objectives of the audit committee are as follows:

- 1) To recommend for appointment, remuneration and terms of appointment of auditors of the Company;
- 2) To approve payment to statutory auditors for any other services rendered by the statutory auditors;
- 3) To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 4) To examine the financial statement and auditor's report thereon;
- 5) To approve transactions of the Company with related parties and modifications thereof including those for which the omnibus approval is provided;
- 6) To scrutinise intercorporate loans and investments;

- 7) To undertake valuation of undertakings or assets of the Company, wherever it is necessary;
- 8) To evaluate internal financial controls and risk management systems;
- 9) To monitor end use of funds raised through public offers and related matters.
- 10) To review the utilisation of loans and / or advances to or investments in subsidiaries, if any.
- 11) To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may discuss any related issues with the internal and statutory auditors and the management of the Company.
- 12) To investigate any activity within its terms of reference of the Companies Act, 2013 or referred to it by the Board and for its purpose, shall have full access to information contained in the records of the Company and external professional, legal or other advice, if necessary;
- 13) To seek information from any employee;
- 14) To secure attendance of outsiders with relevant expertise, if it considers necessary;
- 15) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 16) To review, with the management, the annual financial statements and auditor's report thereon before Submission to the board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. modified opinion(s) in the draft audit report.
- 17) To review, with the management, the quarterly financial statements before submission to the board for approval;
- 18) To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
- 19) To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 20) To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, structure coverage and frequency of internal audit;
- 21) To discuss with internal auditors any significant findings and follow up there on;
- 22) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 23) To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 24) To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- 25) To review the functioning of the Whistle Blower mechanism;
- 26) To approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 27) Conducting any other function as is mentioned in the terms of reference of the Audit Committee from time to time. The auditors of the Company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

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

3.1 Composition, name of members and the chairman of the Audit Committee as on March 31, 2025 is as follows:

Name of the Directors	Status
Mahesh Chhabria	Independent Director (Chairman)
Amrita Verma Chowdhury	Independent Director (Member)
Christian Brenneke	Non-executive, Non-Independent Director (Member)

Mr. Mahesh Chhabria, Independent Director, is the Chairman of the Audit Committee.

Ms. Muthulakshmi M, Company Secretary of the Company acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee was present at the time of the Annual General Meeting held on July 22, 2024. Composition of the committee is in accordance with the requirements of Regulation 18 of the Listing Regulation and Section 177 of the Companies Act, 2013. The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Attendance Particulars							
Name of the Director	Committee Meetings				No. of meetings held during Tenure	Present	% of attendance in Board meeting
	1	2	3	4			
	May 24, 2024	July 22, 2024	November 08, 2024	February 06, 2025			
Mahesh Chhabria					4	4	100%
Amrita Verma Chowdhury					4	4	100%
Christian Brenneke					4	4	100%
% of attendance	100%	100%	100%	100%			

  - Present  - Attended through VC **L** – Leave of absence **NA** – Not Applicable

4. Nomination and Remuneration Committee:

The Board has constituted a Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and composition, name of members and the chairperson of the Committee as on March 31, 2025 are as follows:

Name of the Directors	Status
Amrita Verma Chowdhury	Independent Director (Chairperson)
Mahesh Chhabria	Independent Director (Member)
Neeraj Sagar	Independent Director (Member)
Christian Brenneke	Non- executive, Non-Independent Director (Member)

Amrita Verma Chowdhury, Independent Director, is the Chairperson of the Nomination and Remuneration Committee. Ms. Muthulakshmi M, Company Secretary of the Company acts as the Secretary of the Nomination and Remuneration Committee. The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Attendance Particulars								
Name of the Director	Committee Meetings					No. of meetings held during their Tenure	Present	% of attendance in Board meeting
	1	2	3	4	5			
	May 24, 2024	July 22, 2024	November 08, 2024	December 19, 2024	February 06, 2025			
Amrita Verma Chowdhury						5	5	100%
Mahesh Chhabria						5	5	100%
Neeraj Sagar						5	5	100%
Christian Brenneke						5	5	100%
% of attendance	100%	100%	100%	100%	100%			

- Present - Attended through VC **L** – Leave of absence **NA** – Not Applicable

4.1 Brief description of the Terms of reference:

The Nomination & remuneration committee is entrusted with the following responsibilities.

- 1) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and/or removal and ensure that succession plans for board and senior management personnel are in place.
- 2) To carry out evaluation of every director's performance.
- 3) To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- 4) To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on his performance.
- 5) To recommend to the Board, all remuneration, in whatever form, payable to Directors, key managerial personnel and senior management.
- 6) To determine whether to extend or continue the term of appointment of the independent Director, on the basis of the report of performance evaluation of independent Directors.
- 7) To formulate criteria for evaluation of performance of independent Directors and the board of Directors;
- 8) To evaluate the balance of skills, knowledge and experience on the Board and on the basis

of such evaluation, prepare a description of the role and capabilities required of an independent Director and to identify suitable candidates for appointment as independent Director.

- 9) To devise a policy on diversity of board of Directors.

4.2 Nomination and Remuneration Policy:

As required under Section 178(3) of the Companies Act, 2013 and the Company's Nomination and Remuneration Policy is hosted in the website: [ZF CV India Investor Relations](#).

4.3 Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

4.4 Renumeration to Non- Executive Directors:

Remuneration by way of sitting fee for attending the meetings of Board and committees and commission on profit not exceeding the limit specified in the Companies Act, 2013 is paid to independent Directors of the Company. Remuneration payable to Non-Executive Independent Directors is determined in accordance with the criteria laid down in the Nomination and Remuneration Policy of the Company. No remuneration including sitting fee and commission on profit is paid to non-executive and non-independent Directors of the Company. There is no separate provision for payment of severance fees.

4.5 Particulars of remuneration paid to the Managing Director during the financial year 2024-25.

(INR in lakhs)

Name of the Director	Salary	Contribution to PF and other funds	Perquisites & Allowances	Performance Bonus	Total
P Kaniappan	215.96	15.28	-	181.86	413.10

4.6 Particulars of sitting fees and commission paid/payable to Non-Executive Independent Directors and Directors during the financial year 2024-25.

(INR in lakhs)

Name of the Directors	Sitting fees (INR)	Commission (INR)@	Total INR
Mahesh Chhabria	3.00	36.75	39.75
Amrita Verma Chowdhury	3.00	26.25	29.25
Rashmi Urdhwareshe	2.00	26.25	28.25
Neeraj Sagar	2.20	22.58	24.78
TOTAL	10.20	111.83	122.03

(*) Appointed w.e.f. May 22, 2024 and commission is calculated for the appointment period.

@will be paid after adoption of accounts at the ensuing annual general meeting.

As approved by the shareholders through special resolution at the Annual General Meeting held on July 22, 2024, Non-executive Independent Directors are being paid commission not exceeding 1% of the net profits of the Company.

The Board at its meeting dated May 15, 2025, has considered and approved the commission payable to Independent Directors amounting to INR 36.75 lakhs to Mr. Mahesh Chhabria, INR 22.58 lakhs to Mr. Neeraj Sagar, INR 26.25 lakhs to Ms. Amrita Verma Chowdhury and INR 26.25 lakhs to Ms. Rashmi Urdhwareshe respectively. Other Non-executive Directors, Mr. Akash Passey, Mr. Philippe Colpron and Dr. Christian Brenneke have waived the sitting fees payable to them. There are no other material pecuniary relationships or transactions of the Non-executive Directors' vis-à-vis of the Company.

5. Stakeholders Relationship Committee:

The Board constituted a Stakeholder Relationship Committee in terms of Section 178 of the Companies Act, 2013 and composition, name of members and the chairman of the Stakeholders Relationship Committee as on March 31, 2025 are as follows:

Name of the Directors	Status
Akash Passey	Non-executive, Non-Independent Director (Chairman)
Rashmi Urdhwareshe	Independent Director (Member)
P Kaniappan	Managing Director (Member)
Philippe Colpron	Non-executive, Non-Independent Director (Member)

Mr. Akash Passey is the Chairman of the Stakeholders Relationship Committee.

As required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulation) 2015.

Ms. Muthulakshmi M has been appointed as Compliance Officer. For any clarifications/ complaints, the shareholders may contact Ms. Muthulakshmi M, Company Secretary of the Company at muthulakshmi.m@zf.com. The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Attendance Particulars							
Name of the Director	Committee Meetings				No. of meetings held during Tenure	Present	% of attendance in Board meeting
	1	2	3	4			
	May 24, 2024	July 22, 2024	November 08, 2024	February 06, 2025			
Akash Passey					4	4	100%
P. Kaniappan					4	4	100%
Rashmi Urdhwareshe					4	4	100%
Philippe Colpron			L		4	3	75%
% of attendance	100%	100%	75%	100%			

- Present - Attended through VC L - Leave of absence NA - Not Applicable

The Committee oversees and reviews all matters connected with share transfers, issue of duplicate share certificates and other issues pertaining to shares. The committee also looks into the redressal of investors' grievances pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. The Company, as a matter of policy, disposes investor services complaints within a stipulated time. Complaints received and redressed during FY 2024-25, is as follows:-

No. of complaints received during the year	1
No. of complaints resolved during the year	1
No. of complaints pending unresolved as on March 31, 2025	-

5.2 All the complaints were resolved and, as on March 31, 2025, no complaint was pending.

6. Risk Management Committee

6.1 Composition, name of members and the chairman of the Risk Management Committee:

Name of the Directors	Status
Christian Brenneke	Non-executive, Non- Independent Director (Chairman)
Akash Passey	Non-executive, Non- Independent Director (Member)
Mahesh Chhabria	Independent Director (Member)
Ms. Rashmi Urdhwareshe	Independent Director (Member)
P Kaniappan	Managing director (Member)
Sweta Agarwal	Chief Financial Officer (Member)
V Ramanathan*	Leader - OE Sales & Marketing (Member)
A Ganesamoorthy#	Head - R&D (Member)

*ceased w.e.f. January 24, 2025

#appointed w.e.f. February 06, 2025

Dr. Christian Brenneke is the Chairman of the Risk Management Committee.

Ms. Muthulakshmi M Company Secretary of the Company acts as the Secretary of the Risk Management Committee.

The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Attendance Particulars					
Name of the Director	Committee Meetings		No. of meetings held during Tenure	Present	% of attendance in Board meeting
	1	2			
	September 30, 2024	March 17, 2025			
Christian Brenneke	L		2	1	50%
Akash Passey			2	2	100%
P. Kaniappan			2	2	100%
Mahesh Chhabria			2	2	100%
Rashmi Urdhwareshe			2	2	100%
Sweta Agarwal			2	2	100%
V Ramanathan		NA	1	1	100%
A Ganesamoorthy	NA		1	1	100%
% of attendance	85.71%	100%			

- Present - Attended through VC L – Leave of absence NA – Not Applicable

6.2 Brief description of the Terms of reference:

- 1) Formulate, Monitor and review the Risk Management Plan developed by the management and to ensure that they are comprehensive and well developed.
- 2) To review the Annual Risk Management Framework Document (including the actions planned for the year in relating to existing and anticipated emerging risks).
- 3) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- 4) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 5) Periodic monitoring of the critical risk exposures by specialised analysis and quality reviews and report to the Board the details of any significant developments relating to these, and the action taken to manage the exposures.
- 6) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- 7) Identify and make recommendations to the Board, to the extent necessary on resources and staffing required for effective Risk Management.
- 8) To carry out any other function or activity as may be considered in order to ensure that an effective risk management system is in place.
- 9) The Committee shall meet at least twice in a year.
- 10) Additional meetings may be held, if required, in order to discharge the functions of the committee. The Chairman may convene a meeting if need arises.
- 11) Two members of the Committee shall be present to constitute a quorum.
- 12) The Company Secretary shall be responsible for drawing up the Agenda and circulating it, supported by explanatory documentation, to the Committee members prior to each meeting. He/she will act as the Secretary to the Committee.
- 13) The issues arising at the Risk Management Committee meetings shall be considered resolved only by the unanimous decision of both the members.
- 14) The minutes of the Risk Management Committee meetings, which the Company Secretary shall also be responsible for keeping, shall be tabled at Board meetings in a timely manner.
- 15) To appoint, remove and formulate the terms of remuneration of the Chief Risk Officer (if any).
- 16) To keep the board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 17) To carry out such other functions as the Board may deem fit.
- 18) This shall be broadly governed by the provisions of Companies Act, 2013 (the Act), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), any other applicable laws as applicable and amended from time to time, besides additional responsibilities, if any, imposed by the Board of Directors and Articles of Association.

7. Corporate Social Responsibility Committee (CSR Committee)

The Board constituted a Corporate Social Responsibility Committee in terms of Section 135 of the Companies Act, 2013. Composition, name of members and the chairman of the Committee, as on the March 31, 2025 as follows: -

Name of the Directors	Status
P Kaniappan	Managing Director
Neeraj Sagar	Independent Director
Amrita Verma Chowdhury	Independent Director

Mr. P Kaniappan, Managing Director, is the Chairman of the CSR Committee. Ms. Muthulakshmi M, Company Secretary of the Company acts as the Secretary of the CSR Committee. The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Attendance Particulars

Name of the Director	Committee Meetings		No. of meetings held during Tenure	Present	% of attendance in Board meeting
	1	2			
	May 24, 2024	November 08, 2024			
P. Kaniappan			2	2	100%
Neeraj Sagar			2	2	100%
Amrita Verma Chowdhury			2	2	100%
% of attendance	100%	100%			

- Present - Attended through VC L - Leave of absence NA - Not Applicable

Details of CSR report and activities carried out by the Company as required under Section 135 of the Companies Act, 2013 are given in annexure to the Directors report.

8. Separate Meeting of Independent Directors

As required under Regulation 25 (3) of Listing Regulations, a separate meeting of Independent Directors of the Company was held on March 17, 2025. The Independent Directors, inter alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Board, taking into account the views of Executive Directors and Non-Executive Directors and also assessed the quality, quantity and timeliness of flow of information between the management of the Company and the board of Directors that is necessary for the board of Directors to effectively and reasonably perform their duties.

9. Senior Management

Particulars of senior management including the changes therein since the close of the previous financial year

Name	Functions
Ms. Sweta Agarwal	Chief Financial Officer
Ms. Muthulakshmi M	Company Secretary
Mr. Muruganandam Chelladurai	Quality
Mr. Ravikumar M. S.	Operations
Mr. Rupesh Manni	Driveline Technology
Mr. Balaji Chidambaram	Chassis Control
Mr. Jameel Baig	Bus & Trailer Solutions
Mr. Venugopal Krishnamoorthy	Strategy & Market Int.
Mr. Ponraj Pandian	Program Purchasing
Mr. Ganesamoorthy Arumugam	Engineering
Mr. Ramachandra Puttanna ¹	Aftermarket
Mr. Ashish Srivastava ²	
Mr. Sachin Deshmukh ³	Chassis Structure
Mr. V Ramanathan ⁴	Sales
Mr. Shankar Venkatachalam ⁵	
Mr. Joseph Panakka ⁶	Human Resources
Mr. Hari Govinda Thilak ⁷	
Mr. Hariprasad Rayapalyam ⁸	Legal
Ms. Sunitha Rajagopalan ⁹	Communications

¹has resigned from the Company with effect from close of business hours of October 25, 2024.

² has been promoted as Regional Sales Leader – Aftermarket and designated as a Senior Management Personnel with effect from November 08, 2024.

³ “Mr. Sachin Deshmukh is not an employee of the Company, but he holds the position of Senior Managerial Personnel for the ‘Chassis Structure’ product line.”

⁴ has resigned from the Company with effect from closure of business hours of January 23, 2025.

⁵ has been promoted as Vice President – OE Sales and designated as Senior Management Personnel with effect from January 01, 2025.

⁶ has resigned from the Company with effect from close of business hours of December 06, 2024.

⁷ has been appointed as Head – Human Resource and as a Senior Management Personnel with effect from May 07, 2025.

⁸ has resigned from the Company with effect from close of business hours on March 18, 2025.

⁹ has resigned from the Company with effect from close of business hours on May 10, 2024.

10. Reconciliation of Share Capital Audit Report

A qualified practicing company secretary has carried out reconciliation of share capital audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital and placed the report for perusal of the Board. The audit report confirms that the total issued and listed capital is in agreement with the total number of shares in physical form and the total number of shares in dematerialised form held with NSDL and CDSL.

11. Annual General Meeting:

11.1 Location and time where the Annual General Meetings (AGM) were held during the last three years.

Year	Location	Date	Time
FY 2021-22	AGM Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	July 27, 2022	03.00 P.M
FY 2022-23		July 27, 2023	03.00 P.M
FY 2023-24		July 22, 2024	03.00 P.M

11.2 Special resolutions passed in the previous three annual general meetings:

AGM Date	Item of Business
July 27, 2022	Nil
July 27, 2023	Nil
July 22, 2024	Approving the appointment of Mr. Neeraj Sagar (DIN: 09475452) as an Independent Director for a term of 5 (Five) consecutive years from May 22, 2024 to May 21, 2029, pursuant to Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, Regulations 17, 25(2A) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) such remuneration, including profit-related commission, fee for participation in the meetings of the Board or a Committee thereof or any other purpose, as may be approved by the Board from time to time.

11.3 Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot during the financial year 2024-25: Nil

11.4 Details of special resolution proposed to be conducted through postal ballot:

As on date of this report, there is a proposal to pass a special resolution for the following business:

Re-appointment of Mr. Mahesh Chhabria (DIN: 00166049) as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from May 16, 2025 to May 15, 2030.

11.5 Procedure for postal ballot:

Pursuant to Section 108, Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with Circulars issued by Ministry of Corporate Affairs, read with Regulation 44 of the Listing Regulation, Ordinary and Special Resolutions were passed by the Members of the Company through Postal Ballot by remote e-voting process.

12. Unclaimed Shares

Pursuant to Regulation 39 of the Listing Regulation, equity shares aggregating to 474 shares of INR 5/- each held by 10 equity shareholders were laying unclaimed (hereinafter referred to as "unclaimed shares") as on March 31, 2025, as required under the SEBI Regulations. Those shareholders who do not possess original share certificate with them, are requested to contact the Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited to obtain their shares either in dematerialised form or physical form as desired by the shareholder.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Details of Unclaimed suspense account	No. of Shareholders	No. of Shares
No. of shares in Unclaimed Suspense Account at the beginning of the year as on April 01, 2024	10	572
No. of shareholders who approached listed entity for transfer of shares from suspense account during the year	1	16
No. of shareholders to whom shares were transferred from suspense account during the year ended March 31, 2025	1	16
Shares transferred to the IEPF Authority account during the year ended March 31, 2025	1	82
Aggregate number of shareholders and the outstanding shares lying in the suspense account on March 31, 2025	8	474

13. Investor Education Protection Fund (IEPF) & Transfer of Shares to IEPF Authority

Pursuant to Section 124 and the rules thereunder of the Companies Act, 2013, equity shares which were laying unclaimed and for which the dividend was also unclaimed for a continuous period of 7 years were dematerialised and transferred to IEPF Authority on behalf of the shareholders after providing due reminders and a public announcement in newspapers before transferring.

Those shareholders who do not possess original share certificate with them, are requested to contact the Share Transfer Agent, M/s Integrated Registry Management Services Private Limited to obtain their shares only by dematerialised form by the shareholder (Vide Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8). The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Details of IEPF Authority Account	No. of Shareholders	No. of Shares
No. of shares in the IEPF Authority Account at the beginning of the year as on April 01, 2024	821	50,659
No. of shareholders who approached listed entity for transfer of shares from IEPF Authority Account during the year	29	2,077
No. of shareholders of whose shares were transferred from unclaimed Suspense Account to the IEPF Authority Account during the year	1	82
No. of shareholders whose shares were transferred to the IEPF Authority Account during the year	53	2,861
No. of shares transferred from the IEPF Authority Account during the year to the shareholders	9	1076
Aggregate number of shareholders and the outstanding shares lying in the IEPF Authority Account as on March 31, 2025	866	52,526

14. Means of communication

14.1 Quarterly results:

The Quarterly, Half Yearly and Annual Results are regularly submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website and are published in newspapers.

14.2 Newspapers wherein results normally published:

The results are normally being published in any one of the English newspapers, namely "Business Standard", and the Tamil version in "Makkal Kural".

14.3 Website:

The Company has in place a functional web site addressed as [ZF CV India Investor Relations](#)

The unaudited results, quarterly compliance report on corporate governance and the quarterly shareholding pattern as filed with the Stock Exchanges are published in Company website. The Company makes use of its website for publishing official news releases and presentations, if any, made to institutional investors / analysts.

15. General shareholder information

15.1 Annual General Meeting:

Date and time/Venue	August 20, 2025 at 15.00 hrs. (IST)
	through Video Conferencing (VC)/
	Other Audio Visuals Means (OAVM)

15.2 Financial year **April 01 to March 31**

Financial calendar 2025-26 (Tentative)

Financial reporting for the quarter ending	Financial calendar
June 30, 2025	on or before August 14, 2025
September 30, 2025	on or before November 14, 2025
December 31, 2025	on or before February 14, 2026
March 31, 2026	on or before May 30, 2026
Annual General Meeting	July / August / September 2026

15.3 Particulars of dividend payment

The Board of Directors had recommended a dividend of INR 19 per share for FY 2024-25, absorbing a sum of INR 3,603.84/- lakhs and subject to the approval of the shareholders in the ensuing annual general meeting. This dividend will be paid on or before September 19, 2025 to the shareholders as on record date.

15.4 Listing on Stock Exchanges:

Name of the stock exchange

BSE Ltd. (BSE)	533023
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Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001

National Stock Exchange of India Ltd. (NSE)	ZFCVINDIA
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Exchange Plaza, C-1, Block G,
Bandra - Kurla Complex, Bandra (E),
Mumbai 400 051

ISIN allotted by depositories	INE342J01019
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(Company ID Number)

(Note: Annual listing fees for FY 2024-25 have been duly paid to the above stock exchanges).

15.5 Share Transfer Agents (STA) and Share Transfer System:

- a) For share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agents – M/s. Integrated Registry Management Services Private Limited as the Registrars & Share Transfer Agents (STA). Integrated Registry Management Services Private Limited is registered with SEBI as the Share Transfer Agent (STA) in Category II.
- b) All matters connected with the share transfer, both physical and electronic, dividends and other matters are handled by the STA located at the address mentioned in point 15.10 in this report. Hence, all requests for transfer and/or dematerialisation of securities held in physical form, should be lodged with the office of the Company's Registrar & Share Transfer Agent or at the registered office of the Company for dematerialisation.
- c) All requests for dematerialisation of securities are processed and the confirmations are given to the depositories within 15 days. Grievances received from investors and other miscellaneous correspondences on change of address, mandates etc., are processed by the STA within the time stipulated by SEBI.
- d) Shareholders are requested to note that SEBI has mandated that the Company cannot process any request for transfer of shares received in physical mode. Adequate communications in this regard have been sent to all shareholders holding shares in physical mode. Hence it is requested that all shareholders holding shares in physical mode shall demat their shares to avoid any issues in future.
- e) Pursuant to Regulations 76 of SEBI (Depositories and Participants) Regulations, 2018, certificates from a Company Secretary in practice for timely dematerialisation of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company is obtained.
- f) During the year, all share transmission, issue of duplicate shares, name deletion and such other related matters were approved by the Committee of the Board of Directors authorised by the Board within prescribed timelines. The same along with particulars of movement of shares in the dematerialised form are placed at the Board Meeting from time to time.
- g) The Company, as required under Listing Regulation, has designated the following e-mail IDs, namely einward@integratedindia.in (share transfer agent)/ muthulakshmi.m@zf.com (compliance officer) for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- h) Shareholders are requested to correspond with the STA at the address mentioned in point 15.10 in this report for any change of names and queries pertaining to the shareholding and dividends etc.

15.6 Distribution of Shareholding as on March 31, 2025:

Shareholding (Range)	No. of Shares	% to Shares	No. of shareholders	% to holder
UPTO 5000	1,411,654	7.44	34,914	99.68
5001-10000	145,722	0.77	21	0.06
10001-20000	540,519	2.85	37	0.11
20001-50000	852,427	4.49	26	0.07
50001-100000	1,016,434	5.36	14	0.04
100001 AND ABOVE	15,000,828	79.09	14	0.04
Total	18,967,584	100.00	35,026	100.00

15.7 Dematerialisation of shares and liquidity:

The entire promoter shareholding is in dematerialised form. As on March 31, 2025, out of 6,986,900 shares held by persons other than promoters, 6,932,175 of shares have been dematerialised and dematerialised shareholding of Public as on March 31, 2025 accounts for 99.22%.

15.8 The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity.

15.9 Details regarding plant locations is available in Corporate Information section / Business Responsibility and Sustainability Report.

15.10 Address for investors Correspondence:

I For transfer / dematerialisation of shares, payment of dividend on shares and any other query relating to the shares of the Company	→	Integrated Registry Management Services Private Limited 2 nd Floor, Kences Towers No.1 Ramakrishna Street, North Usman Road, T.Nagar, Chennai 600 017
II For any query on non-receipt of annual report, and	→	Tel: 044 2814 0801 044 2814 0803
III For investors grievance & Email general correspondence	→	einward@integratedindia.in cvcs.info.india@zf.com

16. Other Disclosures

16.1 The materially significant related party transactions entered during the year as disclosed elsewhere in the report did not have potential conflict with the interests of company at large.

16.2 There were no instances of non-compliances by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets during the last three years.

16.3 The Company has an established vigil mechanism (Whistle Blower Policy) in place and no personnel is denied the access to the audit committee.

16.4 Commodity price risks / foreign exchange risk and hedging activities: The Company has not entered into any commodity hedging transactions during FY 2024-25.

16.5 Disclosure by senior management personnel: The senior management personnel have made disclosures to the board relating to all material, financial and other transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

16.6 The Managing Director (CEO) and Chief Financial Officer (CFO) of the Company have certified to the board on financial and other matters in accordance with the Regulation 17(8) of the Listing Regulation pertaining to CEO/CFO certification for the financial year ended March 31, 2025.

16.7 The following policies approved by the Board of Directors of the Company were uploaded and are available in the Company's website at the web link: [ZF CV India Investor Relations](#)

- Code of Business conduct and ethics by the Board Members & Senior Management
- Corporate Social Responsibility Policy
- Related Party Transaction Policy
- Nomination and Remuneration Policy
- Whistle Blower Policy
- Policy for Prohibition of Insider Trading
- Policy on Criteria for Determining Materiality of Events
- Dividend Distribution Policy
- Corporate Governance Policy
- Policy on Familiarisation of Independent Directors and Other Programs
- Material subsidiary Policy
- Policy for Preservation and Archival of Documents

16.8 The Auditors were paid an amount of INR 66.40 lakhs as remuneration for FY 2024-25 including its wholly owned subsidiary which includes total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. Details are provided in note to the financial statements.

16.9 Compliance with mandatory / non-mandatory requirements:

The Company has complied with all applicable mandatory requirements in terms of Listing Regulation. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

The Company has complied with all the mandatory requirements of Corporate Governance as specified in sub paragraph (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations and disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of this report.

16.10 Certificate from a company secretary in practice that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is disclosed.

16.11 The Board has accepted all the recommendation of its committees which is mandatorily required, in the relevant financial year.

16.12 Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace. For disclosure regarding the number of complaints filed, disposed of and pending, please refer to the Board's Report and also in Business Responsibility and Sustainability Report.

16.13 Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which Directors are interested by name and amount: refer to the relevant section in Board's Report.

16.14 Material Subsidiaries: The Company has no material subsidiaries as on report date.

17. Request to shareholders

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to serve them efficiently and avoid risks while dealing in securities of the Company.

a. Demat of Shares:

Shareholders are requested to convert their physical holding to demat/ electronic form through any of the depository participants (DPs) to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

b. Registration of Electronic Clearing Service (ECS) Mandate:

ECS helps in quick remittance of dividend without possible loss / delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS

details with the STA or their respective DPs. Vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8, SEBI has mandated the issue the securities in dematerialised form only (Gazette Notification no. SEBI/ LAD-NRO/GN/2022/66 dated January 24, 2022) while processing the service requests such as Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission and Transposition.

c. Consolidation of Multiple Folios:

Shareholders, who have multiple folios in identical names are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.

d. Registration of Nominations:

Nomination in respect of shares - Section 72 of the Companies Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Pursuant to Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 Master Circular for Registrars to an Issue and Share Transfer Agents dated May 07,2024 It shall be mandatory for all the physical shareholders to furnish the details of Nomination in the prescribed form. Such nomination facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will etc. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in Form SH-13 to the Company or STA. This form will be made available on request. Shareholders holding shares in demat form are advised to contact their DP's for making nominations.

e. Updation of address:

Shareholders are requested to update their addresses registered with the Company, directly through the STA to receive all communications promptly. Shareholders, holding shares in electronic form are requested to deal only with their depository participant (DP) in respect of change of address and furnishing bank account number, etc and it shall be mandatory for all the Physical shares holders to furnish Postal address with PIN, Mobile number E-mail address with STA (Vide Master Circular for Registrars to an Issue and Share Transfer Agents SEBI/HO/MIRSD/POD-1/P/ CIR/2024/37 dated May 07,2024

f. KYC Details

SEBI Vide Circular. Master Circular for Registrars to an Issue and Share Transfer Agents issued on May 7, 2024 made it mandatory for all holders of physical securities in listed company to furnish PAN, KYC details and Nomination. Shareholders, holding shares in physical form shall furnish PAN, KYC details and Nomination to STAs.

g. SMS Alerts:

Shareholders are requested to note that National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have announced the launch of SMS alert facility for demat account holders whereby shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their Depository participants (DPs). No charge will be levied by NSDL / CDSL on DPs providing this facility to shareholders. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely www.nsdl.co.in and www.cdslindia.com, respectively.

h. Timely encashment of dividends:

Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation/ losing their right of claim owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund (IEPF). Shareholders who have not encashed their dividend warrants in respect of dividends declared for the year ended March 31, 2018 and for any financial year thereafter may contact the Company and surrender their warrants for payment. Shareholders are requested to note that the dividend not claimed for a period of seven years from the date they first became due for payment shall be transferred to IEPF under Section 125 of the Companies Act, 2013. Shareholders are also requested to note that as per the Companies Act, 2013, unclaimed shares pertaining to unclaimed dividends for continuous period of seven years would be transferred to the IEPF Authority account.

18. PARTICULARS OF UNCLAIMED DIVIDEND

Web based applications - SEBI / NSE / BSE In line with the circular No. CIR/OIAE/2/2011 dated June 03, 2011 from SEBI, the investors' complaints are now centrally monitored through web-based complaints redressal system called SCORES. The Company processes the investor complaints through this system and updates status periodically. In line with the circular No. NSE/LIST/C/2011 dated September 29, 2011 from the National Stock Exchange of India Ltd. (NSE) the Company now uploads its quarterly shareholding pattern, corporate governance report, financial results, corporate announcements through a web-based application designed for corporates by NSE called as NEAPS and BSE called as BSE filing centre. Information in respect of unclaimed dividends due for remittance into IEPF is given below:

Financial year	Date of Declaration	Date of transfer to unclaimed dividend account	Due Date of transfer to IEPF
2017-18	27.07.2018	27.08.2018	27.08.2025
2018-19	14.08.2019	13.09.2019	13.09.2026
2019-20 (I)	19.03.2020	18.04.2020	18.04.2027
2020-21	24.09.2021	28.10.2021	28.10.2028
2021-22	27.07.2022	29.08.2022	29.08.2029
2022-23	27.07.2023	30.08.2023	30.08.2030
2023-24	22.07.2024	22.08.2024	22.08.2031



Declaration pursuant to clause D of Schedule V and 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding adherence to the Code of Business Conduct and Ethics by of board of Directors and senior management.

To

The Shareholders of

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

On the basis of the written representations received from Members of the Board and Senior Management Personnel in terms of the clause D of Schedule V and 34(3) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that both the members of the board and the senior management personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the board of Directors for the year ended March 31, 2025.

For and on behalf of the Board

Chennai
May 15, 2025

P KANIAPPAN
Managing Director
DIN: 02696192

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

for the financial year ended 31st March 2025

[Pursuant to Regulation 34(3) read with Schedule V, paragraph C(10)(i) to the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of

ZF Commercial Vehicle Control Systems India Limited

[CIN: L34103TN2004PLC054667]

Plot No.3 (SP), III Main Road, Ambattur Industrial Estate,

Chennai – 600 058.

We hereby certify that, in our opinion and to the best of our knowledge, none of the below named Directors who are on the Board of Directors of **ZF Commercial Vehicle Control Systems India Limited** as on 31st March 2025, have been debarred or disqualified from being appointed or continuing as directors of companies, by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA).

Sl. No.	Name of the Director	Nature of Directorship	Director Identification Number (DIN)
1.	Akash Passey	Chairman, Non-Independent Non-Executive Director	01198068
2.	Periakaruppa Nadar Kaniappan	Managing Director	02696192
3.	Mahesh Ramchand Chhabria	Non-Executive, Independent Director	00166049
4.	Amrita Verma Chowdhury		02178520
5.	Rashmi Urdhwaresh		08668140
6.	Neeraj Sagar		09475452
7.	Dr. Christian Oliver Brenneke		08344547
8.	Philippe Colpron	Non-Executive, Non-Independent Director	08344534

Basis for our opinion

We are issuing this certificate based on our verification of the following, which to the best of our knowledge and belief, were considered necessary in this regard:

- Information relating to Directors available on the official website of MCA;
- Disclosures / declarations / confirmations provided by the said Directors to the Company;
- Registers and records maintained by the Company and forms, returns, documents and disclosures filed with MCA;
- Corporate Governance reports filed on quarterly basis with the stock exchanges on which securities of the Company are listed; and
- Information, explanation and representations provided by the key managerial personnel of the Company.

Responsibility of the management

The management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director of the Company.



Responsibility of the Secretarial Auditors

Our responsibility as the Secretarial Auditors of the Company, is to issue this Certificate based on verification of the relevant documents / records as stated herein above.

Our Certificate is neither an assurance as to the future viability of the Company or its Corporate Governance process, nor of the efficacy or effectiveness of the process followed by its management with regard to appointment / continuation of a person as a Director of the Company.

For Sriram Krishnamurthy & Co.,

(formerly known as S. Krishnamurthy & Co.)

Company Secretaries

[Firm Unique Identification Number: P1994TN045300]

[Peer Review Certificate No.6684/2025]

Sharanya Sriram

Partner (Membership No.F10252)

C.P. No.12731

UDIN: F010252G000354871

Place: Chennai

Date: 15th May 2025

**INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH
THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS
AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

TO THE MEMBERS OF ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated April 30, 2025.
2. We have examined the compliance of conditions of Corporate Governance by ZF Commercial Vehicle Control Systems India Limited ("the Company"), for the year ended March 31, 2025, as stipulated in regulations 17 to 27, clauses (b) to (i) and (t) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2025.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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

Restriction on use

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

For B S R & Co LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

K Sudhakar

Partner

Membership No: 214150

UDIN: 25214150BMODGI3453

Place: Chennai

Date: 15 May, 2025

Financial Statements

INDEPENDENT AUDITOR'S REPORT

To

The Members of ZF Commercial Vehicle Control Systems India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ZF Commercial Vehicle Control Systems India Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Revenue Recognition

See Note 2.2(c) and 18 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company's revenue is derived primarily from sale of goods. Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised at a time which is different from transfer of control especially for sales transactions occurring on and around the year end. Therefore, ascertainment of timing of the revenue recognition has been identified as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, amongst others to obtain sufficient appropriate audit evidence: - Assessed the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") including adequacy of disclosures. - Obtained an understanding and evaluated the Company's sales process including design and implementation of key controls and tested the operating effectiveness of such controls in relation to the timing of revenue recognition on a sample basis, with special reference to controls over revenue cut offs at period end. - Performed detailed testing of the sales transactions on a sample basis to test that the revenues and trade receivables are recorded appropriately, in the period in which the control is transferred, taking into consideration the terms and conditions of the customer orders, including the shipping terms.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
	- Tested, on a sample basis, whether revenue transactions near to the reporting date have been recognised in the appropriate period by verifying the transactions selected with relevant underlying documentation (customer order, transporter document, customer portal, etc). - Performed analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and to identify unusual transactions. - Obtained independent confirmations from the Company's customers on sample basis.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's reports thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies

used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 and that the back-up on a daily basis of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India considering that such back-ups on a daily basis are kept on servers outside India.
- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 01 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2025

on its financial position in its standalone financial statements - Refer Note 35(A) to the standalone financial statements.

- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d
 - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43(iv) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43(v) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 44 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that audit trail was not enabled at the database level for accounting software to log any direct data changes. For accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit. Additionally for the periods audit trail was enabled and operating effectively, the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- c. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

K Sudhakar

Partner

Place: Chennai

Date: 15 May 2025

Membership No.: 214150

ICAI UDIN:25214150BMODGE7570

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of ZF Commercial Vehicle Control Systems India Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the

year. For goods-in-transit, subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any investment in firms or limited liability partnership during the year. The Company has not granted loans, secured or unsecured, to firms, limited liability partnership or any other parties during the year. The Company has granted loans to and made investments in companies and other parties during the year, in respect of which the requisite information is as below.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to entities as below:

(INR in Lakhs)	
Particulars	Loans
Aggregate amount during the year	
Subsidiaries*	-
Balance outstanding as at balance sheet date Subsidiaries*	500.00

*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made during the year and the terms and conditions of the grant of loans during the year

are, prima facie, not prejudicial to the interest of the Company. There were no guarantees provided or security given to any party during the year.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans falling due during the year were renewed or extended or settled by fresh loans:

(INR in Lakhs)

Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
ZF CV Control Systems Manufacturing India Private Limited	-	500	Not applicable

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loans given and investments made by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. There are no guarantee and security given by the Company during the year.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value

added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute, except as set out in Appendix I.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act. The Company does not hold any investment in any associate or joint venture as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary as defined under the Act. The Company does not hold any investment in any associate or joint venture as defined under the Act.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets

and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

K Sudhakar

Partner

Membership No.: 214150

ICAI UDIN:25214150BMODGE7570

Place: Chennai

Date: 15 May 2025

Appendix I as referred to under para (vii)(b) of Annexure A to the Independent Auditor's Report to the members of ZF Commercial Vehicle Control Systems India Limited for the year ended 31 March 2025

Name of the statute	Nature of the dues	Amount (INR in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income taxes	3,110.08	2012-13, 2013-14, 2015-16, 2016-17, 2017-18, 2019-20 and 2020-21	Commissioner of Income tax (Appeals), Chennai
Income Tax Act, 1961	Income taxes	592.34	2019-20 and 2020-21	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income taxes	55.12	2011-12 and 2013-14	High Court of Madras
Central Excise Act, 1944	Excise Duty	160.79	2015-16 and 2016-17	Joint Commissioner of Central Excise, Chennai
Central Excise Act, 1944	Excise duty	52.15	2012-13 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal, Chennai
The Finance Act, 1994	Service Tax	0.88	2008-09	Commissioner of Central Excise (Appeals), Chennai
Central Goods and Services Tax, 2017	Goods and services Tax	179.09	2019-20	Joint Commissioner of CGST, Jharkhand

* net of amount paid under protest, wherever applicable

Annexure B to the Independent Auditor's Report on the standalone financial statements of ZF Commercial Vehicle Control Systems India Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of ZF Commercial Vehicle Control Systems India Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

K Sudhakar

Partner

Place: Chennai

Date: 15 May 2025

Membership No.: 214150

ICAI UDIN:25214150BMODGE7570



STANDALONE BALANCE SHEET

as at March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	56,250.40	49,947.04
Capital work-in-progress	3.2	6,326.94	8,250.87
Right of use assets	3.1	13,629.16	14,313.83
Investment property	3.3	1,956.57	1,493.81
Intangible assets	3.1	1,053.05	1,116.74
Financial assets			
(i) Investments	4.1	277.33	275.00
(ii) Other financial assets	4.2	1,821.95	1,725.98
Deferred tax asset (net)	6.1	2,476.13	2,898.81
Non-current tax assets (net)	6.2	5,923.62	6,282.64
Other non-current assets	5	3,311.28	3,859.80
Total non-current assets		93,026.43	90,164.52
Current assets			
Inventories	7	18,644.54	16,698.70
Financial assets			
(i) Investments	4.1	2,856.03	2,328.66
(ii) Trade receivables	8	1,11,188.74	93,456.28
(iii) Cash and cash equivalents	9	12,720.44	10,890.36
(iv) Bank balances other than (iii) above	9.1	1,33,801.21	1,18,290.86
(v) Loans	4.3	500.00	1,000.00
Other current assets	5	3,311.50	4,105.52
Total current assets		2,83,022.46	2,46,770.38
Total assets		3,76,048.89	3,36,934.90
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	948.38	948.38
Other equity	11	3,20,131.93	2,77,916.82
Total equity		3,21,080.31	2,78,865.20
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	12	5,660.02	6,132.78
Provisions	13	2,377.07	1,984.26
Total non-current liabilities		8,037.09	8,117.04
Current liabilities			
Financial liabilities			
(i) Lease liabilities	12	948.30	710.86
(ii) Trade payables	14		
- total outstanding dues of micro enterprises and small enterprises		954.84	1,569.99
- total outstanding dues of creditors other than micro enterprises and small enterprises		32,325.27	35,836.39
(iii) Other financial liabilities	15	5,098.32	4,367.55
Other current liabilities	16	4,420.92	4,692.71
Provisions	13	2,525.20	2,528.12
Current tax liabilities (net)	17	658.64	247.04
Total current liabilities		46,931.49	49,952.66
Total equity and liabilities		3,76,048.89	3,36,934.90

Material accounting policies.

2.2

Notes to the standalone financial statements are an integral part of the standalone financial statements.

For and on behalf of the Board of Directors of
ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration no. 101248W/W-100022

Akash Passey
Chairman and Director
DIN: 01198068

P Kaniappan
Managing Director
DIN: 02696192

M. Muthulakshmi
Company Secretary

Sweta Agarwal
Chief Financial Officer

K Sudhakar
Partner
Membership no.: 214150
Place: Chennai
Date: May 15, 2025

Place: Chennai
Date: May 15, 2025

STANDALONE STATEMENT OF PROFIT & LOSS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	18	3,80,408.92	3,78,370.85
Other income	19	10,974.90	9,577.37
Total income		3,91,383.82	3,87,948.22
Expenses			
Cost of materials consumed	20	2,21,185.88	2,32,415.38
Changes in inventories of finished goods and work-in-progress	21	(614.00)	(309.42)
Employee benefits expense	22	53,853.93	46,396.59
Finance costs	23	570.47	500.91
Depreciation and amortisation expense	24	12,270.06	10,948.78
Other expenses	25	43,437.84	43,554.22
Total expenses		3,30,704.18	3,33,506.46
Profit before tax		60,679.64	54,441.76
Tax expense	28		
- Current tax		14,283.87	14,643.47
- Deferred tax		529.95	(679.65)
		14,813.82	13,963.82
Profit for the year		45,865.82	40,477.94
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability / (asset)	29	(533.49)	(73.39)
Income tax relating to items that will not be reclassified to profit or loss	28	107.27	14.76
Other comprehensive income / (loss) for the year, net of tax		(426.22)	(58.63)
Total comprehensive income for the year, net of tax		45,439.60	40,419.31
Earnings per equity share of INR 5 each			
Basic earnings per share (INR)	30	241.81	213.41
Diluted earnings per share (INR)	30	241.81	213.41

Material accounting policies.

2.2

Notes to the standalone financial statements are an integral part of the standalone financial statements.

**For and on behalf of the Board of Directors of
ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED**

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
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Partner
Membership no.: 214150
Place: Chennai
Date: May 15, 2025

Place: Chennai
Date: May 15, 2025

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	March 31, 2025	March 31, 2024
A. Cash flow from/(used) in operating activities:			
Profit before tax		60,679.64	54,441.76
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortisation expense	24	12,270.06	10,948.78
Profit on sale of financial instruments (net)	19	(873.49)	(651.18)
Impairment allowance / reversal for bad and doubtful debts / advances	25	944.89	289.98
Interest income	19	(9,149.80)	(8,686.30)
Finance costs	23	570.47	500.91
Net loss on sale of property, plant and equipment	25	61.26	22.82
Net foreign exchange differences (unrealised)		(796.93)	(102.65)
Operating profit before working capital changes		63,706.10	56,764.12
Adjustments for :			
Increase in inventories		(1,945.84)	(1,178.16)
Increase in trade receivables		(17,855.53)	(17,756.63)
(Increase)/ decrease in other financial assets		(62.53)	193.63
Decrease in other assets		638.39	798.62
Decrease in trade payables, provisions and other liabilities, including financial liabilities		(3,602.38)	(1,762.85)
Cash generated from operations		40,878.21	37,058.73
Income tax paid		(13,513.25)	(17,789.59)
Net cash flow from/(used) in operating activities		27,364.96	19,269.14
B. Cash flow from/(used) in investing activities:			
Purchase of property, plant, equipment and intangible assets (including capital work in progress, capital advances and capital creditors)		(15,202.76)	(17,820.17)
Proceeds from sale of property, plant and equipment		89.10	27.08
Payment for acquiring right of use assets		0.35	(307.56)
Purchase of investment property		(550.36)	(1,432.85)
Purchase of mutual fund units		(34,998.25)	(61,996.90)
Proceeds from sale of mutual fund units		35,344.37	70,333.30
Purchase of non-current investments		(2.33)	-
Loans given to related party		-	(1,000.00)
Repayment of loans given to related party		500.00	-
(Purchase of) / proceeds from maturity of bank deposits (net)		(14,984.96)	(9,518.52)
Interest received		8,590.97	8,155.93
Net cash flows from/(used) in investing activities		(21,213.87)	(13,559.69)
C. Cash flow from/(used) in financing activities:			
Dividend paid		(3,224.49)	(2,465.79)
Payment of lease liabilities		(625.24)	(456.97)
Payment of interest on lease liabilities		(562.02)	(488.80)
Net cash flows from/(used) in financing activities		(4,411.75)	(3,411.56)
Net increase / (decrease) in cash and cash equivalents [A+B+C]		1,739.34	2,297.89
Cash and cash equivalents at the beginning of the year		10,890.36	8,577.33
Effect of movements in exchange rates on cash held		90.74	15.14

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	March 31, 2025	March 31, 2024
Cash and cash equivalents as at end of the year		12,720.44	10,890.36
Components of cash and cash equivalents			
i) Cash on hand		-	-
ii) On current accounts		12,720.44	10,890.36
Cash and cash equivalents as per balance sheet (refer note 9)		12,720.44	10,890.36

Material accounting policies (note 2.2)

Notes to the standalone financial statements are an integral part of the standalone financial statements.

For and on behalf of the Board of Directors of
ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration no. 101248W/W-100022

Akash Passey
Chairman and Director
DIN: 01198068

P Kaniappan
Managing Director
DIN: 02696192

M. Muthulakshmi
Company Secretary

Sweta Agarwal
Chief Financial Officer

K Sudhakar
Partner
Membership no.: 214150
Place: Chennai
Date: May 15, 2025

Place: Chennai
Date: May 15, 2025

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

a. Equity share capital

Equity shares of INR 5 each issued, subscribed and fully paid	No. of shares	Amount
Balance as at April 01, 2023	1,89,67,584	948.38
Changes in equity share capital during the year	-	-
Balance as at March 31, 2024	1,89,67,584	948.38
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	1,89,67,584	948.38

b. Other equity

For the year ended March 31, 2025

Particulars	Reserves and Surplus			Items of OCI	Total
	General reserve	Capital reorganisation reserve	Retained Earnings	Re-measurement of defined benefit liability	
Balance as at April 01, 2024	24,776.38	5.00	2,53,135.44	-	2,77,916.82
Profit for the year	-	-	45,865.82	(426.22)	45,439.60
Other comprehensive income (Note 29)	-	-	(426.22)	426.22	-
Total	24,776.38	5.00	2,98,575.04	-	3,23,356.42
Dividend	-	-	(3,224.49)	-	(3,224.49)
Balance as at March 31, 2025	24,776.38	5.00	2,95,350.55	-	3,20,131.93

For the year ended March 31, 2024

Particulars	Reserves and Surplus			Items of OCI	Total
	General reserve	Capital reorganisation reserve	Retained Earnings	Re-measurement of defined benefit liability	
Balance as at April 01, 2023	24,776.38	5.00	2,15,181.92	-	2,39,963.30
Profit for the year	-	-	40,477.94	(58.63)	40,419.31
Other comprehensive income (Note 29)	-	-	(58.63)	58.63	-
Total	24,776.38	5.00	2,55,601.23	-	2,80,382.61
Dividend	-	-	(2,465.79)	-	(2,465.79)
Balance as at March 31, 2024	24,776.38	5.00	2,53,135.44	-	2,77,916.82

Material accounting policies (Note 2.2)

Notes to the standalone financial statements are an integral part of the standalone financial statements.

For and on behalf of the Board of Directors of
ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration no. 101248W/W-100022

Akash Passey

Chairman and Director
DIN: 01198068

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Managing Director
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Company Secretary

Sweta Agarwal

Chief Financial Officer

K Sudhakar

Partner
Membership no.: 214150
Place: Chennai
Date: May 15, 2025

Place: Chennai
Date: May 15, 2025

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

1. Corporate Information

ZF Commercial Vehicle Control Systems India Limited ("Company", "ZF CVCS India") was incorporated originally on November 18, 2004. The Company is a public limited company domiciled in India and has its securities listed on BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Plant 1, Plot No.3, (SP), III Main Road, Ambattur Industrial Estate, Chennai - 600 058, India. The Company's holding company is WABCO Asia Private Limited and ultimate holding company is ZF Friedrichshafen AG.

The Company is primarily engaged in the manufacture of air brake actuation systems for commercial vehicles. The Company is also engaged in rendering of software development and other services.

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of directors at the meeting held on May 15, 2025.

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Sec 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets, financial liabilities and defined benefit plan assets measured in accordance with Ind AS 19 (refer accounting policy on the same).

The standalone financial statements are presented in INR (the functional currency of the Company) and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The material accounting policies are set out below in section 2.2

2.2 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied for all the years presented, unless otherwise stated.

(a) Current vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current

classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use of selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market price in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as investments and deposits measured at fair value, and for non-recurring measurement.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the standalone financial statements.

(c) Revenue recognition

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Goods and Services Tax (GST) is the tax collected on the commodities sold by the Company on behalf of the government, accordingly, it is excluded from revenue. Accordingly, it is excluded from revenue. Revenue recognised by the Company is net of price revision and claims. The specific revenue recognition criteria described below, must also be met before revenue is recognised.

a. Sale of products / goods

Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. The normal credit term is in the range of 15 to 90 days upon delivery except for some customers who are on advance payment term. Revenue from the sale of goods is measured at the transaction price, net of returns and allowances, trade discounts and volume rebates.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Company considers the effects of

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Volume rebates / discounts

Arrangements with most Original Equipment Manufacturer ('OEM') customers include a provision for volume rebates / discounts. In those instances where there is a valid expectation from the customers to receive a discount, the amount of variable consideration which is included in the transaction price may be constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognised under the arrangement will not occur in a future period. The Company applies the most likely amount method for determining the discount.

b. Revenue from sale / rendering of services

- Revenue from software services

Revenue from sale of services is recognised as and when related costs are incurred and services are performed in accordance with the terms of specific contracts.

- Revenue from research and development services

Revenue relating to research & development services are recognised on a fixed hourly basis when the services are rendered.

- Revenue from business support services and other service income

Revenue from sale of services is recognised as related costs are incurred and services are performed in accordance with the terms of specific contracts. Revenue from test track usage income is recognised as and when the services are performed in accordance with contractual terms.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration for work completed but not billed as the billing is conditional upon completion of another milestone.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (p) financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(ii) Interest income

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) Foreign currency transactions and balances

The Company's standalone financial statements are presented in INR which is also the functional currency of the Company. Transactions in foreign currencies are initially recorded in the functional currency using the spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary item are recognised in standalone statement of profit or loss.

(e) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes cost incurred in bringing each product to its present location, condition and are accounted for as follows:

Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work-in-progress: Cost includes cost of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated

on the basis of normal operating capacity, but excluding borrowing costs.

Stores and spare parts: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(f) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the standalone statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty

Provisions for warranty related costs are recognised as and when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is reviewed annually. A provision is recognised for expected warranty claims on products sold, based on past experience of the level of repairs and returns. Assumptions used to calculate the provision for warranties are based on current sales levels and current information available about returns. The Company generally offers 12 - 24 months of warranty for its products.

(g) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. It includes a present obligation that is not recognised because it is

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for the year ended March 31, 2025

not probable that an outflow of resources will be required to settle the obligation. It also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

(h) Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(i) Taxes

Income tax expense comprises of current and deferred tax

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside standalone statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction,

affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(j) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(k) Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

administrative purposes, are stated in the balance sheet at cost (net of duty / tax credit availed) less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost of an item of property, plant and equipment comprises its purchase price, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Advance paid towards the acquisition of property, plant and equipment are shown under non-current assets.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. The cost of property, plant and equipment not ready for intended use before such date is disclosed under capital work-in-progress. Freehold land is carried at historical cost less any accumulated impairment losses.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied and the same is depreciated based on their specific useful lives. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the standalone statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from

derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss when the asset is derecognised.

The Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset.

Depreciation is provided using the straight line method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule II of the Companies Act, 2013. The useful life estimate for major classes of assets is as follows:

Asset block	Useful life of the asset (years)
Buildings	10-30
Plant and machinery	10-21
Tools, Dies & Jigs	3-5
Computers	3
Office & other equipments	5-13
Furniture and fixtures	10
Vehicles	6

The Company, based on assessment made by technical expert and management estimate, depreciates certain items of building, plant and machinery over estimated useful lives and residual value which are different from the useful life and residual values prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 01, 2015 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

Intangible assets

Intangible assets with finite useful lives that are acquired separately, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Costs incurred towards purchase of computer software and licenses are amortised using the straight-line method over a period based on management's estimate of useful lives of such computer software and licenses being 2 / 3 years, or over the license period of the software, whichever is shorter.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in standalone statement of profit and loss when the asset is derecognised.

Impairment of property, plant & equipment and intangible assets carried at cost

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets or cash-generating units (CGU) recoverable value and its value in use. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair

value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending only for change in assumptions or internal/external factors. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(I) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Depreciation is provided using the straight line method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule II of the Companies Act, 2013.

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. It also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(n) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site

on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases.

The Company recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

(o) Retirement and other employee benefits

i. Defined benefit plan

• Provident Fund

Eligible employees of Company received benefits from a provident fund, which was a defined benefit plan. Under the plan, both the eligible employee and the Company made monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The provident fund contributions are made to employee provident fund organisation.

• Gratuity and Pension

Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on separation at 15 days of last drawn basic salary for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

The Company also operates a pension plan for select employees, the eligibility and the terms

and conditions of payment are at the discretion of the Company. Gratuity and pension liabilities are defined benefit obligations and are provided for on the basis of an actuarial valuation done as per the projected unit credit method as at the end of each financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

ii. Other employment benefits

• Compensated absence

Short term compensated absences are provided for based on estimates. Long term compensated absences in the nature of defined benefit plan are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. Re-measurement gain or loss is taken to the standalone statement of profit and loss and are not deferred. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the changes in the net defined benefit obligation as an expense in the standalone statement of profit and loss as service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income.

iii. Defined contribution plan.

Defined contribution plan includes contribution to employee state insurance scheme, employee provident fund (from the period of surrender of the Trust as mentioned above) and employee

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

pension scheme. The Company has no obligation other than the contribution payable under the above schemes. The Company recognises the contribution payable to the above schemes as an expenditure when the employee renders related service. If the contribution payable to the schemes for services received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If on the other hand the contribution already paid exceeds the contribution due for the services received before the Balance Sheet date, then the excess is recognised as an asset to the extent that the prepayment will lead to reduction in future payment or cash refund.

iv. Termination benefits - Voluntary retirement

The Company has a scheme of voluntary retirement applicable to certain employees. The amount payable under such scheme is recognised earlier of when the employee accepts the offer or when a restriction of the entity's ability to accept the offer takes effect.

(p) Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level

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because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of

time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or

- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(q) Dividend to shareholders

Final dividend distributed to equity shareholders is recognised in the period in which it is approved by the members of the Company in the Annual General Meeting. Interim dividend is recognised when approved by the Board of Directors at the Board Meeting. Both final dividend and interim dividend are recognised in the Standalone Statement of Changes in Equity.

(r) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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for the year ended March 31, 2025

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

(s) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting

Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 01, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

3.1 Property plant and equipment, Right of use assets and Intangible assets

Reconciliation of carrying amount Description	Property, plant and equipment						Right of use assets			Intangible Assets	
	Freehold Land	Buildings	Plant and Machinery, Tools, Dies & Jigs	Furniture and fixtures	Office and other equipments	Vehicles	Total	Leasehold land	Buildings	Total	Computer software and licenses
Cost											
Balance as at April 01, 2023	1,829.06	9,845.30	74,803.38	1,898.06	9,415.71	518.54	98,310.05	8,258.00	6,789.29	15,047.29	4,385.37
Add: Additions	-	4,516.32	8,050.17	333.67	3,183.68	29.63	16,113.47	307.56	786.66	1,094.22	677.43
Less: Disposals / Derecognition	-	-	113.50	-	706.09	-	819.59	-	195.58	195.58	-
Less: Reclassification to investment property	-	-	-	-	-	-	-	74.27	-	74.27	-
Balance as at March 31, 2024	1,829.06	14,361.62	82,740.05	2,231.73	11,893.30	548.17	1,13,603.93	8,491.29	7,380.37	15,871.66	5,062.80
Balance as at April 01, 2024	1,829.06	14,361.62	82,740.05	2,231.73	11,893.30	548.17	1,13,603.93	8,491.29	7,380.37	15,871.66	5,062.80
Add: Additions	-	1,097.91	13,925.79	129.51	1,690.33	63.62	16,907.16	-	389.92	389.92	590.74
Less: Disposals / Derecognition	-	11.62	1,171.73	-	520.87	9.20	1,713.42	-	-	-	-
Balance as at March 31, 2025	1,829.06	15,447.91	95,494.11	2,361.24	13,062.76	602.59	1,28,797.67	8,491.29	7,770.29	16,261.58	5,653.54
Accumulated depreciation and impairment losses											
Balance as at April 01, 2023	-	3,619.19	44,386.90	416.37	6,411.89	317.40	55,151.75	159.21	649.26	808.47	3,230.36
Add: Charge for the year	-	491.53	6,536.16	233.16	1,964.18	49.80	9,274.83	86.70	860.43	946.13	715.70
Less: Disposals / Derecognition	-	-	102.25	-	667.44	-	769.69	-	195.58	195.58	-
Less: Reclassification to investment property	-	-	-	-	-	-	-	1.19	-	1.19	-
Balance as at March 31, 2024	-	4,110.72	50,820.81	649.53	7,708.63	367.20	63,656.89	243.72	1,314.11	1,557.83	3,946.06
Balance as at April 01, 2024	-	4,110.72	50,820.81	649.53	7,708.63	367.20	63,656.89	243.72	1,314.11	1,557.83	3,946.06
Add: Charge for the year	-	642.78	7,773.08	208.97	1,778.01	50.60	10,453.44	85.62	988.97	1,074.59	654.43
Less: Disposals / Derecognition	-	11.03	1,047.64	-	495.65	8.74	1,563.06	-	-	-	-
Balance as at March 31, 2025	-	4,742.47	57,546.25	858.50	8,990.99	409.06	72,547.27	329.34	2,303.08	2,632.42	4,600.49
Carrying amounts											
As at March 31, 2024	1,829.06	10,250.90	31,919.24	1,582.20	4,184.67	180.97	49,947.04	8,247.57	6,066.26	14,313.83	1,116.74
As at March 31, 2025	1,829.06	10,705.44	37,947.86	1,502.74	4,071.77	193.53	56,250.40	8,161.95	5,467.21	13,629.16	1,053.05

Note: All the title deeds of immovable properties are held in the name of the Company. The Company has not revalued its property, plant and equipment, intangible assets and right of use assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

3.2 Capital work-in-progress

Capital Work-In-Progress ('CWIP') comprises expenditure for the plant and machinery, tools, dies & jigs and buildings in various stages of installation.

	March 31, 2025	March 31, 2024
Opening balance	8,250.87	7,682.79
Additions	16,124.32	18,791.83
Capitalisation / adjustments	(17,497.90)	(16,790.90)
Reclassification to investment property	(550.35)	(1,432.85)
Closing balance	6,326.94	8,250.87

Ageing schedule

	As at March 31, 2025					As at March 31, 2024				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,360.02	966.92	-	-	6,326.94	6,720.51	1,358.20	172.16	-	8,250.87
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	5,360.02	966.92	-	-	6,326.94	6,720.51	1,358.20	172.16	-	8,250.87

Note: The Company does not have any capital work-in-progress which is overdue or has exceeded its cost compared to its original plan and hence, capital work-in-progress completion schedule is not applicable.

3.3 Investment property

Description	Land	Buildings	Plant and Machinery, Tools, Dies & Jigs	Furniture and fixtures	Office and other equipments	Total
A. Reconciliation of carrying amount						
Gross carrying amount						
Balance as at April 01, 2023	-	-	-	-	-	-
Add: Additions	-	997.08	233.40	-	202.37	1,432.85
Add: Reclassification from right of use assets (refer note 3.1)	73.08	-	-	-	-	73.08
Balance as at March 31, 2024	73.08	997.08	233.40	-	202.37	1,505.93
Balance as at April 01, 2024	73.08	997.08	233.40	-	202.37	1,505.93
Add: Additions	-	506.40	-	4.56	39.39	550.35
Balance as at March 31, 2025	73.08	1,503.48	233.40	4.56	241.76	2,056.28
Accumulated depreciation						
Balance as at April 01, 2023	-	-	-	-	-	-
Add: Depreciation for the year	0.19	5.52	2.45	-	3.96	12.12
Balance as at March 31, 2024	0.19	5.52	2.45	-	3.96	12.12
Balance as at April 01, 2024	0.19	5.52	2.45	-	3.96	12.12
Add: Depreciation for the year	0.80	29.49	21.50	0.69	35.11	87.59
Balance as at March 31, 2025	0.99	35.01	23.95	0.69	39.07	99.71
Carrying amounts						
As at March 31, 2024	72.89	991.56	230.95	-	198.41	1,493.81
As at March 31, 2025	72.09	1,468.47	209.45	3.87	202.69	1,956.57

Investment property comprises land and building that are leased to the wholly owned subsidiary and fellow subsidiaries. Further information about these leases are included in Note 34. During the year ended March 31, 2024, a portion of land from right of use of assets have been transferred (see Note 3.1) to investment property, since the said portion of land was no longer used by the Company and as such it was decided that the said land would be leased out.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

The Company has no restrictions on the realisability of its investment property.

	March 31, 2025	March 31, 2024
B. Amounts recognised in profit or loss		
Rental income from the investment property	89.36	21.67
Less: Depreciation	(87.59)	(12.12)
Profit	1.77	9.55

C. Fair value hierarchy and valuation technique

The fair value of investment properties amounted to INR 1,981.19 lakhs (March 31, 2024: INR 1,493.81 lakhs). These disclosures are based on external information available with the Company.

4.1 Investments

	March 31, 2025	March 31, 2024
Non-Current - unquoted		
Investment in subsidiary - measured at cost		
1,000,000 (previous year: 1,000,000) equity shares of INR 10 each fully paid up in ZF CV Control Systems Manufacturing India Private Limited	100.00	100.00
Investment in others - measured at cost		
1,750,000 (previous year: 1,750,000) equity shares of INR 10 each fully paid up in Enerparc Solar Power 3 Private Limited	175.00	175.00
2,334 (previous year: Nil) equity shares of INR 100 each fully paid up in Santhi Renewables Energies Private Limited	2.33	-
	277.33	275.00
Current - unquoted		
Investments at fair value through profit or loss (fully paid)		
Investments in Mutual Funds	2,856.03	2,328.66
	2,856.03	2,328.66
Aggregate value of unquoted investments	3,133.36	2,603.66
Aggregate amount of impairment in value of investments	-	-

4.2 Other financial assets

	March 31, 2025	March 31, 2024
Non-Current		
Non-current bank balances (refer note below)	337.96	304.52
Security deposits	1,483.99	1,421.46
	1,821.95	1,725.98

Note: Represents deposits placed with banks as margin money towards guarantees provided by the banks on behalf of the Company.

4.3 Loans

	March 31, 2025	March 31, 2024
Current		
(unsecured, considered good)		
Loans to related parties*	500.00	1,000.00
	500.00	1,000.00

The Company provided loan to its subsidiary (ZF CV Control Systems Manufacturing India Private Limited) for its principal business activities which carries interest rate of 12 months T Bill Rate (RBI) plus spread of 113 bps. Repayment of loan is as per the terms of the agreement.

Information about the Company's exposure to credit risk and market risk are disclosed in note 40.

* For amount outstanding from related parties and the terms and conditions relating to that, refer Note 37.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

5 Other assets

	March 31, 2025	March 31, 2024
Non-Current		
Capital advances (Unsecured considered good) *	399.47	985.42
Capital advances (Unsecured considered doubtful)	169.58	120.16
Less: Provision for doubtful advances	(169.58)	(120.16)
	399.47	985.42
Amount paid under protest	1,842.81	1,842.81
Net defined benefit asset – pension plan (refer note 33)	1,069.00	1,031.57
	3,311.28	3,859.80
Current		
Advances to vendors (Unsecured considered good) *	1,514.08	1,365.63
Advances to vendors (Unsecured considered doubtful)	697.00	578.80
Less: Provision for doubtful advances	(697.00)	(578.80)
	1,514.08	1,365.63
Grant receivable (export incentive)	55.22	280.22
Prepaid expenses	1,293.67	1,502.75
Balance with government authorities	448.53	956.92
	3,311.50	4,105.52

* For amount outstanding from related parties and the terms and conditions relating to that, refer Note 37.

6.1 Deferred tax assets (net)

Nature - (Liability) / Asset	Balance Sheet		Statement of Profit and Loss	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Deferred tax assets				
Provision for doubtful trade receivables and advances	927.07	689.26	237.81	(1.33)
Provision for employee benefits and others	1,360.15	1,207.81	152.34	101.15
Provision for warranty	324.73	490.33	(165.60)	88.02
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	-	76.45	(76.45)	76.45
Others	488.94	434.96	53.98	219.42
Total (A)	3,100.89	2,898.81	202.08	483.71
Deferred tax liabilities				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(624.76)	-	624.76	(210.70)
Others	-	-	-	-
Total (B)	(624.76)	-	624.76	(210.70)
Deferred tax expenses / (income) (B-A)			422.68	(694.41)
Net deferred tax (liabilities) / assets (A-B)	2,476.13	2,898.81		

Reconciliation of deferred tax assets / (liabilities) - (net)

	March 31, 2025	March 31, 2024
As on April 01	2,898.81	2,204.40
Tax income/(expense) during the period recognised in profit and loss	(529.95)	679.65
Tax income/(expense) during the period recognised in OCI	107.27	14.76
As on March 31	2,476.13	2,898.81

6.2 Non-current tax assets (net)

	March 31, 2025	March 31, 2024
Advance income tax (net of provision for tax)	5,923.62	6,282.64
	5,923.62	6,282.64

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

7 Inventories

(lower of cost and net realisable value)

	March 31, 2025	March 31, 2024
Raw materials *	13,158.78	12,091.51
Work-in-progress	402.06	301.96
Finished goods	3,753.18	3,239.28
Stores and spare parts	1,330.52	1,065.95
	18,644.54	16,698.70
*includes goods in transit	5,150.92	3,819.75

During the year ended March 31, 2025: INR 27.99 lakhs (March 31, 2024: INR 38.68 lakhs) was recognised as an expense for inventories carried at net realisable value.

8 Trade receivables

	March 31, 2025	March 31, 2024
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,13,725.70	95,215.97
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	1,13,725.70	95,215.97
Less: Loss allowance (expected credit loss allowance)	(2,536.96)	(1,759.69)
	1,11,188.74	93,456.28

Trade receivables Ageing schedule

As at March 31, 2025

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	94,559.26	15,924.75	1,503.20	735.17	395.71	607.61	1,13,725.70
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	94,559.26	15,924.75	1,503.20	735.17	395.71	607.61	1,13,725.70

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

As at March 31, 2024

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	83,874.81	9,779.49	373.47	323.45	158.37	706.38	95,215.97
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	83,874.81	9,779.49	373.47	323.45	158.37	706.38	95,215.97

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. For amount outstanding from related parties and the terms and conditions relating to that, refer Note 37. Trade receivables are non-interest bearing and are generally on terms of 15 to 90 days depending on the type of the customer.

9 Cash and cash equivalents

	March 31, 2025	March 31, 2024
Cash on hand	-	-
Balances with banks:		
- On current accounts	12,720.44	10,890.36
	12,720.44	10,890.36
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
i) Cash on hand	-	-
ii) On current accounts	12,720.44	10,890.36
	12,720.44	10,890.36

9.1 Other bank balances

	March 31, 2025	March 31, 2024
Deposits with banks with original maturity of more than three months but less than twelve months	1,33,767.77	1,18,208.94
Earmarked balances with banks	33.44	81.92
	1,33,801.21	1,18,290.86
Earmarked balances with banks primarily relate to unclaimed dividends and unspent corporate social responsibility account.		
Break up of financial assets carried at amortised cost		
Trade receivables (note 8)	1,11,188.74	93,456.28
Cash and cash equivalents (note 9)	12,720.44	10,890.36
Bank balances other than cash and cash equivalents (note 9.1)	1,33,801.21	1,18,290.86
Loans (note 4.3)	500.00	1,000.00
Other financial assets (note 4.2)	1,821.95	1,725.98
Total financial assets at amortised cost	2,60,032.34	2,25,363.48

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

10 Equity share capital

	March 31, 2025	March 31, 2024
Authorised capital	-	-
20,000,000 equity shares of INR 5 each (March 31, 2024: 20,000,000)	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, subscribed and fully paid-up capital		
18,967,584 equity shares of INR 5 each (March 31, 2024: 18,967,584)	948.38	948.38
	948.38	948.38

Terms / rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	Number of shares	Amount
At April 01, 2023	1,89,67,584	948.38
Issued during the year	-	-
At March 31, 2024	1,89,67,584	948.38
Issued during the year	-	-
At March 31, 2025	1,89,67,584	948.38

Shares held by holding company or their subsidiaries or associates

Out of equity shares issued by the Company, shares held by its holding Company or their subsidiaries or associates are as below:

Name of the Shareholder	March 31, 2025		March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
WABCO Asia Private Limited, Singapore (Holding Company)	1,19,80,684	599.03	1,42,25,684	711.28

Apart from the above, there are no shares held by the Ultimate Holding Company, or their subsidiaries or associates.

Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2025		March 31, 2024	
	In numbers	% holding in the class	In numbers	% holding in the class
Equity shares of INR 5 each fully paid				
WABCO Asia Private Limited, Singapore (Holding Company)	1,19,80,684	63.16%	1,42,25,684	75.00%
SBI Large & Midcap Fund	2,89,060	1.52%	16,29,747	8.59%

As per records of the Company, including its register of members, the above shareholding represents both legal and beneficial ownerships of shares.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Details of shares held by promoters

	As at March 31, 2025		As at March 31, 2024		% of change during the year
	No. of shares	% of total of shares	No. of shares	% of total of shares	
WABCO Asia Private Limited, Singapore (Holding Company)	1,19,80,684	63.16%	1,42,25,684	75.00%	(15.78%)
	1,19,80,684	63.16%	1,42,25,684	75.00%	0.00%

	As at March 31, 2024		As at March 31, 2023		% of change during the year
	No. of shares	% of total of shares	No. of shares	% of total of shares	
WABCO Asia Private Limited, Singapore (Holding Company)	1,42,25,684	75.00%	1,42,25,684	75.00%	0.00%
	1,42,25,684	75.00%	1,42,25,684	75.00%	0.00%

There are no bonus shares or buy-back of shares or shares issued for consideration other than cash during a period of five years immediately preceding financial year ended March 31, 2025.

11 Other equity

	March 31, 2025	March 31, 2024
General reserve	24,776.38	24,776.38
Other reserves		
Capital reorganisation reserve	5.00	5.00
Retained earnings	2,95,350.55	2,53,135.44
	3,20,131.93	2,77,916.82

General reserve - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital reorganisation reserve - Amount represents a reserve created during the demerger of brakes division from Sundaram Clayton Limited.

Retained Earnings - The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

11.1 Dividends

The following dividends were declared and paid by the Company during the year:

	March 31, 2025	March 31, 2024
INR 17 per equity share (March 31, 2024: INR 13)	3,224.49	2,465.79
	3,224.49	2,465.79

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

	March 31, 2025	March 31, 2024
INR 19 per equity share (March 31, 2024: INR 17)	3,603.84	3,224.49
	3,603.84	3,224.49

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

12 Lease liabilities

	March 31, 2025	March 31, 2024
Non - Current		
Lease liabilities	5,660.02	6,132.78
	5,660.02	6,132.78
Current		
Lease liabilities	948.30	710.86
	948.30	710.86

13 Provisions

	March 31, 2025	March 31, 2024
Non-current		
Provision for employee benefits		
Provision for compensated absences	1,578.43	1,206.14
Other provisions		
Provision for warranties	798.64	778.12
Total	2,377.07	1,984.26
Current		
Provision for employee benefits		
Provision for compensated absences	337.39	196.78
Provision for gratuity (net of fair value of plan assets)	1,696.20	1,161.25
Other provisions		
Provision for warranties	491.61	1,170.09
Total	2,525.20	2,528.12
Provision for warranties		
At the beginning of the year	1,948.21	1,598.48
Created during the year	905.99	1,201.93
Utilised / reversed during the year	(1,563.95)	(852.20)
At the end of the year	1,290.25	1,948.21

The estimated provision for warranty obligations is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is the balance unexpired period of the respective warranties on the various products which range from 12 to 24 months.

14 Trade payables

	March 31, 2025	March 31, 2024
Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises ('MSME')	954.84	1,569.99
- Total outstanding dues of creditors other than micro enterprises and small enterprises	32,325.27	35,836.39
	33,280.11	37,406.38

For amount outstanding to related parties and the terms and conditions relating to that, refer Note 37

Refer note 36 for details of dues to Micro and small enterprises.

Trade payables Ageing Schedule

As at March 31, 2025

	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	954.67	-	-	0.17	954.84
Others	5,856.22	8,498.17	16,914.08	437.45	238.20	381.15	32,325.27
Disputed - MSME	-	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-	-
	5,856.22	8,498.17	17,868.75	437.45	238.20	381.32	33,280.11

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

As at March 31, 2024

	Unbilled dues	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	1,532.49	36.45	-	0.03	1.02	1,569.99
Others	5,131.78	22,384.29	7,350.07	291.06	134.99	544.20	35,836.39
Disputed - MSME	-	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-	-
	5,131.78	23,916.78	7,386.52	291.06	135.02	545.22	37,406.38

15 Other financial liabilities

	March 31, 2025	March 31, 2024
Capital creditors		
- Total outstanding dues of micro enterprises and small enterprises ('MSME')	107.70	41.32
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,080.45	1,312.15
Price adjustments (refer note below)	3,876.76	2,982.68
Unpaid dividends	33.41	31.40
	5,098.32	4,367.55

Refer note 36 for details of dues to Micro and small enterprises.

Note: Price adjustments is recognised when there is a reasonable certainty that the amounts will be settled. The estimate takes into account the expected claim and the historical information regarding settlement of such claims. The outstanding liability represents the amounts that are yet to be settled in relation to the products that were sold.

Break up of financial liabilities carried at amortised cost

	March 31, 2025	March 31, 2024
Trade payables (note 14)	33,280.11	37,406.38
Lease liabilities (note 12)	6,608.32	6,843.64
Other financial liabilities (note 15)	5,098.32	4,367.55
	44,986.75	48,617.57

16 Other current liabilities

	March 31, 2025	March 31, 2024
Advance from customers	463.15	630.86
Statutory dues payable	1,700.53	1,259.37
Liability towards corporate social responsibility	-	99.70
Employee payables	2,257.24	2,702.78
	4,420.92	4,692.71

17 Current tax liabilities (net)

	March 31, 2025	March 31, 2024
Provision for taxation (net of advance income tax)	658.64	247.04
	658.64	247.04

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

18 Revenue from operations

	March 31, 2025	March 31, 2024
(i) Revenue from contract with customers		
Sale of products (A)		
Air assist and full air actuation systems	2,81,273.38	2,89,581.23
Spares	50,007.51	47,751.95
	3,31,280.89	3,37,333.18
Sale/rendering of services (B)		
Software services	28,610.78	23,932.12
Research and development services	4,816.58	4,487.99
Business support services	6,539.34	5,997.94
Other service income	5,440.49	3,497.55
	45,407.19	37,915.60
(ii) Other operating revenue (C)		
Scrap sales	1,842.83	1,889.66
Government grant (Export incentives - Refer note below)	736.47	244.29
Test track usage income	1,141.54	988.12
	3,720.84	3,122.07
Total (A+B+C)	3,80,408.92	3,78,370.85

Note - Government grants represent export incentives that the Company is eligible for. There are no unfulfilled conditions or contingencies attached to these grants.

	March 31, 2025	March 31, 2024
Disaggregated information		
Timing of revenue recognition		
Goods / services transferred at a point in time	3,34,265.26	3,40,210.96
Services transferred over time	45,407.19	37,915.60
	3,79,672.45	3,78,126.56
Contract balances		
Trade receivables (refer note 8)	1,11,188.74	93,456.28
Contract liabilities (refer note 16)	463.15	630.86

Trade receivables are non-interest bearing and are generally on terms of 15 to 90 days.

Contract assets are recognised over time based on the progress of completion of the service as per the terms of the contract, as the customer simultaneously receives and consumes the benefits provided by the Company. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

	March 31, 2025	March 31, 2024
Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contract price	3,85,519.86	3,79,954.01
Adjustments		
Discounts and price adjustments	(5,847.41)	(1,827.45)
Revenue from contract with customers	3,79,672.45	3,78,126.56

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

19 Other income

	March 31, 2025	March 31, 2024
Gain on sale of investments (net)	873.49	651.18
Gain on foreign currency transactions	598.24	210.45
Interest income	9,149.80	8,686.30
Rental income from investment property	89.36	21.67
Others	264.01	7.77
	10,974.90	9,577.37

20 Cost of materials consumed

	March 31, 2025	March 31, 2024
Inventories at the beginning of the year	12,091.51	11,270.09
Add: Purchases	2,22,253.15	2,33,236.80
Less: Inventories at the end of the year	13,158.78	12,091.51
Cost of raw material and components consumed	2,21,185.88	2,32,415.38

21 Changes in inventories of finished goods and work-in-progress

	March 31, 2025	March 31, 2024
Opening stock		
Work-in-progress	301.96	564.21
Finished goods	3,239.28	2,667.61
	3,541.24	3,231.82
Closing Stock		
Work-in-progress	402.06	301.96
Finished goods	3,753.18	3,239.28
	4,155.24	3,541.24
	(614.00)	(309.42)

22 Employee benefits expense

	March 31, 2025	March 31, 2024
Salaries, wages and bonus	46,418.47	39,923.77
Contribution to provident and other funds	3,530.36	2,975.57
Staff welfare expenses	3,905.10	3,497.25
	53,853.93	46,396.59

23 Finance costs

	March 31, 2025	March 31, 2024
Interest expense on lease liabilities	562.02	488.80
Interest on others	8.45	12.11
	570.47	500.91

24 Depreciation and amortisation expense

	March 31, 2025	March 31, 2024
Depreciation of property, plant and equipment (note 3.1)	10,453.44	9,274.83
Depreciation on right of use assets (note 3.1)	1,074.59	946.13
Amortisation of intangible assets (note 3.1)	654.43	715.70
Depreciation on investment property (note 3.3)	87.60	12.12
	12,270.06	10,948.78

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

25 Other expenses

	March 31, 2025	March 31, 2024
Consumption of stores and spares	4,831.03	4,762.77
Power and fuel	2,685.36	2,706.05
Rent	863.96	810.22
Repairs to buildings	427.01	442.05
Repairs to machinery	1,355.13	1,120.45
Repairs others	31.91	24.76
Insurance	272.73	303.48
Rates and taxes	831.11	874.05
Professional fees (refer note (a) below for payment to auditors)	5,642.49	5,330.07
Travelling and conveyance	1,466.92	1,453.99
Freight, delivery and shipping charges	7,019.16	7,675.45
Research and development expenses	1,093.36	1,389.22
Impairment allowance / reversal for bad and doubtful debts / advances	944.89	289.98
Directors' sitting fees	10.20	6.60
Information technology expenses	4,472.23	3,122.07
Expenditure on corporate social responsibility (refer note 26)	778.03	518.53
Royalty	9,027.25	9,943.17
Net loss on sale of property, plant and equipment	61.26	22.82
Warranty	905.99	1,500.36
Other expenses (including commission to independent directors)	717.82	1,258.13
	43,437.84	43,554.22

(a) Auditor's remuneration* (included in professional fees)

	March 31, 2025	March 31, 2024
As auditor:		
Statutory audit	45.30	42.40
Tax audit	2.30	2.20
Limited review of quarterly results	3.30	3.30
Certification	2.60	1.10
In other capacity:		
Taxation matters	-	-
Reimbursement of expenses	1.90	1.70
	55.40	50.70

* Excludes Goods and Services Tax

26 CSR expenditure

	March 31, 2025	March 31, 2024
Details of CSR expenditure:		
a) Amount required to be spent by the Company during the year	778.03	518.53
b) Amount spent during the year (in cash):		
(i) Construction / acquisition of asset	-	-
(ii) On purposes other than (i) above	778.03	469.17
c) Shortfall at the end of the year	-	49.36
d) Total of previous years shortfall	-	-
e) Reason for shortfall	Not applicable	Refer Note (ii) below
f) Details of related party transactions	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

g) The movements in the provision for unspent CSR (relating to ongoing project) is as follows:

Particulars	March 31, 2025		March 31, 2024	
	With Company	In Separate CSR Unspent account	With Company	In Separate CSR Unspent account
Opening balance	49.36	50.35	124.19	553.15
Amount required to be spent during the year	778.03	-	518.53	-
Transfers	(49.36)	49.36	(124.19)	124.19
Amount spent during the year	(778.03)	(99.71)	(469.17)	(626.99)
Closing balance	-	-	49.36	50.35

Note: (i) The expenditure incurred has been approved by the Board of Directors.

(ii) The Company is in the process of identifying suitable projects towards which the shortfall of the expenditure could be spent.

- 27** Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate INR 8,513.68 lakhs (March 31, 2024: INR 4,969.70 lakhs). The capital expenditure incurred during the year for research and development purposes aggregate INR 5,108.10 lakhs (March 31, 2024: INR 862.50 lakhs).

28 Income tax expense

	March 31, 2025	March 31, 2024
A. Amounts recognised in profit or loss		
Current Tax:		
Current year	14,283.87	14,643.47
Deferred Tax:		
Relating to the origination and reversal of temporary differences	529.95	(679.65)
Tax expense	14,813.82	13,963.82
B. Amounts recognised in other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability / (asset)	(107.27)	(14.76)
	(107.27)	(14.76)
C. Reconciliation of effective tax rate		
Profit before tax	60,679.64	54,441.76
Company's domestic tax rate	25.168%	25.168%
Tax using the Company's domestic tax rate	15,271.85	13,701.90
Tax effect of :		
- Non deductible expenses	155.61	124.43
- Others	(613.64)	137.49
	14,813.82	13,963.82

29 Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

	FVTOCI	Total
During the year ended March 31, 2025		
Re-measurement gains (losses) on defined benefit plans	(426.22)	(426.22)
	(426.22)	(426.22)
During the year ended March 31, 2024		
Re-measurement gains (losses) on defined benefit plans	(58.63)	(58.63)
	(58.63)	(58.63)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

30 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2025	March 31, 2024
Profit after tax	45,865.82	40,477.94
Weighted average number of shares		
- Basic	1,89,67,584	1,89,67,584
- Diluted	1,89,67,584	1,89,67,584
Earning per share of INR 5 each		
- Basic	241.81	213.41
- Diluted	241.81	213.41

31 Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key Judgements estimates and assumptions

In the process of applying the Company's accounting policies, management has made the following key judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the standalone financial statements:

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in standalone financial statements. Loss contingencies that are considered possible are not provided for but disclosed as contingent liabilities in the standalone financial statements. Contingencies the likelihood of which is remote are not disclosed in the standalone financial statements. Gain contingencies are not recognised until the contingency has been resolved and amounts are received or receivable. The management estimates likely outcome of any pending cases and other contingencies based upon the Company's / expert's interpretation of applicable tax laws, relevant judicial pronouncements.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about defined benefit obligations are given in note 33.

Allowance for inventories

An allowance for inventory is recognised where the realisable value is estimated to be lower than the inventory carrying value. The inventory allowance is estimated taking into account various factors and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate allowance in the books.

32 Employee Benefits Obligation

Defined Benefit Plan

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972 ('Act') . Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long term obligations to make future benefit payments.

1) Liability risks

i) Asset-Liability Mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralise valuation swings caused by interest rate movements.

ii) Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

iii) Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset risks

All plan assets are maintained in a trust fund managed by LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

33 Defined Benefit Plan

	Gratuity		Pension Plan	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Current service cost	568.43	468.62	-	-
Net interest expense / (income)	83.55	53.77	(73.19)	(68.38)
Components of defined benefit cost recognised in profit or loss	651.98	522.39	(73.19)	(68.38)
Re-measurement on the net defined benefit liability comprising:				
Actuarial (gains)/losses changes arising from changes in financial assumptions	200.99	106.22	114.87	46.39
Actuarial (gains)/losses changes arising from experience adjustments	262.26	(8.37)	(79.12)	(81.17)
Return on plan assets (excluding amounts included in net interest expense)	34.49	10.32	-	-
Components of defined benefit cost recognised in other comprehensive income	497.74	108.17	35.75	(34.78)
	1,149.72	630.56	(37.44)	(103.16)

The current service cost and the net interest expense for the year are included in the 'employee benefit expense' in profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	Gratuity		Pension Plan	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Present value of defined benefit obligation	4,808.76	3,867.24	2,213.26	2,138.08
Fair value of plan assets	3,112.56	2,705.99	3,282.26	3,169.65
Net assets/(liabilities) from defined benefit obligation	(1,696.20)	(1,161.25)	1,069.00	1,031.57
Movements in the present value of the defined benefit obligation were as follows:				
Opening defined benefit obligation	3,867.24	3,270.09	2,138.08	2,128.37
Current service cost	568.43	468.62	-	-
Interest cost	278.24	231.01	151.70	156.77
Actuarial (gains)/losses changes arising from changes in financial assumptions	200.99	106.22	114.87	46.39
Actuarial (gains)/losses changes arising from experience adjustments	262.26	(8.37)	(79.12)	(81.17)
Benefits paid	(368.40)	(200.33)	(112.28)	(112.28)
Closing defined benefit obligation	4,808.76	3,867.24	2,213.25	2,138.08
Movements in the fair value of the plan assets were as follows:				
Opening fair value of plan assets	2,705.99	2,358.23	3,169.65	3,056.78
Investment / Interest Income	194.69	177.24	224.89	225.15
Employer's Contributions	614.77	381.17	-	-
Return on plan assets (excluding amounts included in net interest expense)	(34.49)	(10.32)	-	-
Benefits paid	(368.40)	(200.33)	(112.28)	(112.28)
Closing fair value of plan assets	3,112.56	2,705.99	3,282.26	3,169.65

33.1 The major categories of plan assets of the fair value of the total plan assets are as follows:

	Gratuity		Pension Plan	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Investments details:				
Investment with insurer / others	3,112.56	2,705.99	3,282.26	3,169.65
Total	3,112.56	2,705.99	3,282.26	3,169.65

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	Gratuity		Pension Plan	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Discount rate	6.75%	7.20%	6.50%	7.10%
Future salary increases	5.00%	5.00%	NA	NA
Attrition rate	5.00%	5.00%	NA	NA
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	NA	NA

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Gratuity plan:

	March 31, 2025		March 31, 2024	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Discount rate	(214.52)	251.57	(168.16)	196.64
Future salary increases	253.50	(219.76)	199.05	(172.94)
Attrition rate	1.40	(1.45)	7.43	(7.70)
Mortality rate	0.10	(0.11)	0.52	(0.52)

Pension:

	March 31, 2025		March 31, 2024	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Discount rate	(84.99)	97.78	(81.06)	93.18

The following payments are expected contributions to the defined benefit plan in future years:

	Gratuity		Pension	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Within the next 12 months (next annual reporting period)	564.29	413.10	191.37	189.34
Between 2 and 5 years	1,359.06	1,246.06	739.03	736.23
Beyond 5 years	6,823.78	7,422.90	3,065.05	3,208.11
Total expected payments	8,747.13	9,082.06	3,995.45	4,133.68

The average duration of the defined benefit plan obligation at the end of the reporting period for gratuity plan is 10.00 years (March 31, 2024: 10.00 years) and pension plan is 7.00 years (March 31, 2024: 7.00 years).

34 Leases

A. Leases as lessee

The Company has taken various premises including offices, warehouses and other assets under lease for which lease period is 3-10 years and are renewable by mutual consent on agreed upon terms.

	March 31, 2025	March 31, 2024
Lease liabilities		
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	1,433.72	1,197.78
Later than one year and not later than five years	4,473.73	4,263.65
More than five years	2,314.07	3,390.38

The depreciation charge for right of use assets, interest expenses on lease liabilities, expenses relating to short term leases and low-value assets and current and non-current classification of lease liability are included in note 24, 23, 25 and 12 respectively. Cash flows on payment of lease liabilities including interest on lease liabilities are disclosed in the standalone cash flow statements.

B. Leases as lessor

The Company leases out its investment property. All leases are classified as operating leases from a lessor perspective, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 3.3 sets out information about the operating leases of investment property.

Rental income recognised by the Company during the year ended March 31, 2025 was INR 89.36 lakhs (March 31, 2024: INR 21.67 lakhs).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	March 31, 2025	March 31, 2024
Less than one year	85.26	82.26
One to two years	85.26	82.26
Two to three years	82.76	82.26
Three to four years	61.70	82.26
Four to five years	-	61.70
More than five years	-	-
Total	314.98	390.74

35 Commitment and Contingencies

A) Contingent Liabilities

In respect of all the matters mentioned below, based on the legal advice obtained, the management is of the view that the claims are not tenable and the same can be successfully contested. Hence, no provision has been considered necessary in the standalone financial statements.

	March 31, 2025	March 31, 2024
In respect of CENVAT and service tax matters	0.88	0.88
In respect of income tax matters	139.10	60.49
In respect of property tax matters	32.40	32.40
In respect of GST matters	-	17.89
In respect of labour law disputes	7.67	7.67
In respect of property matters	6.09	6.09

The uncertainties and possible reimbursement in respect of the above mentioned contingent liabilities are dependent on the outcome of various legal proceedings and therefore, cannot be predicted accurately.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in these financial statements. Management is of the view that above matters will not have material adverse effect on the Company's financial position.

B) Commitments

	March 31, 2025	March 31, 2024
a) Capital commitments in relation to purchase of property, plant and equipment not provided for	5,281.40	5,993.26

36 Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act).

This information has been determined to the extent such parties have been identified on the basis of information available with the Company

	March 31, 2025	March 31, 2024
(a) Principal amount remaining unpaid to any supplier as at the end of the year.	1,062.54	1,611.31
Interest due thereon remaining unpaid to any supplier as at the end of the year.	1.27	0.92
(b) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(c) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	7.45	11.19
(d) The amount of interest accrued and remaining unpaid at the end of the year;	189.38	180.66
(e) The amount of further interest remaining due and payable even in the succeeding year accrued in the current year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	8.72	12.11

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

37 Related Party Transactions

37.1 List of related parties and nature of relationship

1) Where control exists

a) Ultimate holding company	ZF Friedrichshafen AG
b) Holding company	WABCO Asia Private Limited, Singapore
c) Associate of holding company	ZF International UK Limited, United kingdom
d) Wholly owned Subsidiary company	ZF CV Control Systems Manufacturing India Private Limited

2) Related parties with whom transactions have taken place during the year

Ultimate holding company

ZF Friedrichshafen AG

Holding company

WABCO Asia Private Limited, Singapore

Fellow Subsidiary companies

Changchun WABCO Vehicle Control System Co. Ltd
Guang Dong WABCO Fuwa Vehicle Brakes Co Limited
ZF CV Solutions (Thailand) Limited
WABCO Automotive South Africa
WABCO Compressor Manufacturing Co. USA
WABCO Holdings Inc., USA
WABCO IP Holdings LLC, USA
WABCO Korea Ltd, Korea
WABCO Middle East and Africa FZCO, Dubai
WABCO Radbremsen GmbH, Germany
WABCO USA LLC, USA (formerly Meritor WABCO Vehicle Control Systems, USA)
Wolong ZF Automotive Electric Motors Ltd
ZF (Shanghai) Management Co, Ltd
ZF Active Safety and Electronics US LLC, USA
ZF Active Safety GmbH
ZF Autocruise France SAS
ZF Automotive Brasil LTDA, Brazil
ZF Automotive Systems (Shanghai) Co Ltd., China
ZF Commercial Vehicle Systems (Jinan) Co., Ltd., China (formerly Shandong WABCO Automotive Products Co. Ltd, China)
ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China (formerly WABCO China Co. Ltd, China)
ZF CV Distribution Germany GmbH & Co. KG, Germany (formerly WABCO Vertriebs, GmbH & Co., Germany)
ZF CV Distribution UK Ltd.
ZF CV Logistics Germany GmbH, Germany (formerly WABCO Logistik GmbH, Germany)
ZF CV Solutions Japan, Inc., Japan (formerly known as WABCO Japan Inc., Japan)
ZF CV Systems Europe BV, Belgium (formerly WABCO Europe BVBA, Belgium)
ZF CV Systems Global GmbH, Switzerland (formerly WABCO Global GmbH, Switzerland)
ZF CV Systems Hannover GmbH, Germany (formerly WABCO GmbH, Germany)
ZF CV Systems North America LLC, USA (formerly known as WABCO North America LLC, USA)
ZF CV Systems Poland Sp. z o.o., Poland (formerly WABCO Polska Sp. z o.o. Poland)
ZF CVS Turkey Fren Sistemleri (formerly known as WABCO Arac Kontrol Sis.Des.Paz.Ltd.)
ZF Digital Solutions India Private Limited (formerly WABCO Digital Solutions Private Limited)
ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.
ZF Driveteck (Jiaxing) Co., Ltd
ZF Do Brasil LTDA, Brazil
ZF India Private Limited
ZF Light Vehicle Systems India Private Limited
ZF Commercial Vehicle Solutions India Private Limited
ZF Rane Automotive India Private Limited
ZF CV Control Systems Manufacturing India Private Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Others

Trichur Sundaram Santhanam & Family Private Limited (upto October 30, 2023)
TVS Automobile Solutions Private Limited (upto October 30, 2023)
TVS Mobility Private Limited (upto October 30, 2023)

Key Management Personnel

Mr. P Kaniappan - Managing Director
Mr. R S Raja Gopal Sastry - Chief Financial Officer (upto January 16, 2024)
Ms. Sweta Agarwal - Chief Financial Officer (from January 10, 2024)
Ms. M Muthulakshmi - Company Secretary
Dr. Christian Brenneke - Non-executive Director
Mr. Philippe Colpron - Non-executive Director
Mr. M Lakshminarayan - Chairman and independent Director (upto March 31, 2024)
Dr. Lakshmi Venu - Independent Director (upto October 30, 2023)
Mr. Mahesh Chhabria - Independent Director
Ms. Rashmi Urdhwaresh - Independent Director (from March 20, 2024)
Ms. Amrita Verma Chowdhury - Independent Director (from October 27, 2023)
Mr. Akash Passey - Chairman and Director (from May 22, 2024)
Mr. Neeraj Sagar - Independent Director (from May 22, 2024)

37.2 Related party transactions

Sl No	Nature of transactions	Name of the Company	Fellow subsidiaries/Others		Key management personnel	
			Year ended		Year ended	
			March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
1.a	Purchase of goods, net	Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	2.20	1.21	-	-
		ZF CV Solutions (Thailand) Limited	4.25	4.45	-	-
		WABCO Compressor Manufacturing Co. USA	40.79	106.96	-	-
		WABCO Korea Ltd, Korea	-	0.50	-	-
		WABCO USA LLC, USA	-	2.81	-	-
		ZF (Shanghai) Management Co, Ltd	179.23	298.95	-	-
		ZF Active Safety and Electronics US LLC, USA	0.78	1.76	-	-
		ZF Automotive Brasil LTDA, Brazil	87.35	468.20	-	-
		ZF Automotive Systems (Shanghai) Co Ltd., China	-	3.16	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	2,178.44	1,659.24	-	-
		ZF CV Control Systems Manufacturing India Private Limited	351.40	0.34	-	-
		ZF CV Distribution Germany GmbH & Co. KG, Germany	109.18	267.65	-	-
		ZF CV Systems Global GmbH, Switzerland	10,329.37	9,742.72	-	-
		ZF CV Systems North America LLC, USA	0.13	5.15	-	-
		ZF Digital Solutions India Private Limited	-	11.98	-	-
		ZF Friedrichshafen AG	3,052.87	694.40	-	-
		ZF India Private Limited	13.34	7.34	-	-
		ZF CV Solutions Japan, Inc., Japan	-	9.23	-	-
		ZF CV Distribution UK Ltd.	-	12.43	-	-
		ZF Autocruise France SAS	-	1.61	-	-
		Wolong ZF Automotive Electric Motors Ltd	-	5.90	-	-
		WABCO Radbrensen GmbH, Germany	-	8.27	-	-
		ZF Rane Automotive India Private Limited	5.25	2.69	-	-
		ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.	2.22	-	-	-
		ZF Drivetech (Jiaxing) Co., Ltd	6.74	-	-	-
1.b	Purchase of Property, Plant and Equipment	ZF CV Systems Global GmbH, Switzerland	-	43.49	-	-
		ZF CV Control Systems Manufacturing India Private Limited	1,108.80	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Sl No	Nature of transactions	Name of the Company	Fellow subsidiaries/Others		Key management personnel	
			Year ended		Year ended	
			March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
2	Services received					
	Royalty	WABCO IP Holdings LLC, USA	207.66	199.85	-	-
	Royalty	ZF CV Systems Europe BV, Belgium	8,679.12	9,743.32	-	-
	Royalty	ZF CV Systems Global GmbH, Switzerland	140.46	-	-	-
	Information Technology Support Services	ZF Friedrichshafen AG	3,469.47	2,469.01	-	-
	Research and Development	ZF Active Safety GmbH	-	405.06	-	-
		ZF Friedrichshafen AG	0.74	-	-	-
	Rent	ZF India Private Limited	30.99	78.78	-	-
	Professional fees	ZF Friedrichshafen AG	8.51	12.20	-	-
	Professional and other fees	ZF India Private Limited	533.92	-	-	-
3	Sale of products, net	Changchun WABCO Vehicle Control System Co. Ltd	78.24	147.93	-	-
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	7.05	152.53	-	-
		Trichur Sundaram Santhanam & Family Private Limited	-	1,372.94	-	-
		TVS Automobile Solutions Private Limited	-	170.18	-	-
		TVS Mobility Private Limited	-	458.34	-	-
		ZF CV Solutions (Thailand) Limited	352.28	456.47	-	-
		WABCO Asia Private Limited, Singapore	369.83	434.42	-	-
		WABCO Automotive South Africa	-	1.48	-	-
		WABCO Compressor Manufacturing Co. USA	32.66	2,114.15	-	-
		WABCO Korea Ltd, Korea	186.00	244.99	-	-
		WABCO Middle East and Africa FZCO, Dubai	865.34	587.97	-	-
		WABCO USA LLC, USA	18.24	11,604.41	-	-
		ZF (Shanghai) Management Co, Ltd	36.69	58.22	-	-
		ZF Automotive Brasil LTDA, Brazil	1,850.88	1,075.34	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	1,007.06	790.65	-	-
		ZF CV Control Systems Manufacturing India Private Limited	222.37	158.59	-	-
		ZF CV Logistics Germany GmbH, Germany	-	-	-	-
		ZF CV Solutions Japan, Inc., Japan	2,188.81	1,712.91	-	-
		ZF CV Systems Europe BV, Belgium	529.70	581.46	-	-
		ZF CV Systems Global GmbH, Switzerland	87,619.98	55,016.77	-	-
		ZF CV Systems Hannover GmbH, Germany	-	4.20	-	-
		ZF CV Systems North America LLC, USA	30.21	5,054.87	-	-
		ZF CV Systems Poland Sp. z o.o., Poland	0.02	7.22	-	-
		ZF CVS Turkey Fren Sistemleri	35.24	27.78	-	-
		ZF Do Brasil LTDA, Brazil	-	608.90	-	-
		ZF India Private Limited	5.16	17.50	-	-
		WABCO Radbremesen GmbH, Germany	0.16	-	-	-
4	Sale of assets	ZF CV Control Systems Manufacturing India Private Limited	14.09	20.56	-	-
5	Rendering of Services					
	Business Support Services	ZF CV Systems Global GmbH, Switzerland	6,385.24	5,890.05	-	-
	Business Support Services	ZF Digital Solutions India Private Limited	132.61	83.88	-	-
	Business Support Services	ZF India Private Limited	49.74	24.01	-	-
	Research and development services	ZF CV Systems Global GmbH, Switzerland	4,816.58	4,487.99	-	-
	Software services	ZF CV Systems Global GmbH, Switzerland	28,610.79	23,932.12	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Sl No	Nature of transactions	Name of the Company	Fellow subsidiaries/Others		Key management personnel	
			Year ended		Year ended	
			March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	Other services	ZF CV Solutions (Thailand) Limited	8.30	-	-	-
	Other services	ZF CV Control Systems Manufacturing India Private Limited	127.26	71.39	-	-
6	Other income					
	Interest Income	ZF CV Control Systems Manufacturing India Private Limited	65.63	52.32	-	-
	Rent	ZF Light Vehicle Systems India Private Limited	13.39	4.46	-	-
	Rent	ZF CV Control Systems Manufacturing India Private Limited	70.73	24.98	-	-
	Rent	ZF Commercial Vehicle Solutions India Private Limited	5.24	-	-	-
7	Receivables / (Advances received)	Changchun WABCO Vehicle Control System Co. Ltd	-	63.16	-	-
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	7.01	119.69	-	-
		ZF CV Solutions (Thailand) Limited	29.41	63.00	-	-
		WABCO Asia Private Limited, Singapore	14.22	15.85	-	-
		WABCO Compressor Manufacturing Co. USA	20.89	30.60	-	-
		WABCO Holdings Inc., USA	24.92	23.59	-	-
		WABCO Korea Ltd, Korea	82.67	42.01	-	-
		WABCO Middle East and Africa FZCO, Dubai	155.78	22.94	-	-
		WABCO USA LLC, USA	265.32	500.32	-	-
		ZF (Shanghai) Management Co, Ltd	82.00	88.46	-	-
		ZF Automotive Brasil LTDA, Brazil	236.39	406.13	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	826.85	659.29	-	-
		ZF CV Control Systems Manufacturing India Private Limited	617.16	111.78	-	-
		ZF CV Solutions Japan, Inc., Japan	347.02	307.88	-	-
		ZF CV Systems Europe BV, Belgium	229.67	152.03	-	-
		ZF CV Systems Global GmbH, Switzerland	43,687.05	31,485.48	-	-
		ZF CV Systems Hannover GmbH, Germany	-	29.47	-	-
		ZF CV Systems North America LLC, USA	70.71	94.15	-	-
		ZF CV Systems Poland Sp. z o.o., Poland	2.32	5.13	-	-
		ZF CVS Turkey Fren Sistemleri	20.44	5.36	-	-
		ZF Digital Solutions India Private Limited	12.66	7.23	-	-
		ZF Light Vehicle Systems India Private Limited	5.11	4.46	-	-
		ZF Do Brasil LTDA, Brazil	-	242.52	-	-
		ZF Friedrichshafen AG	-	188.25	-	-
		ZF Commercial Vehicle Solutions India Private Limited	3.21	-	-	-
		ZF India Private Limited	69.90	29.51	-	-
8	Payables / (Advances paid)	ZF CV Solutions (Thailand) Limited	1.04	5.75	-	-
		WABCO Compressor Manufacturing Co. USA	51.88	103.48	-	-
		WABCO IP Holdings LLC, USA	103.17	584.44	-	-
		WABCO Korea Ltd, Korea	-	1.00	-	-
		WABCO Radbrensen GmbH, Germany	(0.17)	(0.17)	-	-
		WABCO USA LLC, USA	-	43.60	-	-
		Wolong ZF Automotive Electric Motors Ltd	-	5.95	-	-
		ZF CV Systems Poland Sp. z o.o., Poland	(12.91)	(12.91)	-	-
		ZF (Shanghai) Management Co, Ltd	90.16	-	-	-
		ZF Commercial Vehicle Systems (Jinan) Co., Ltd., China	11.86	18.65	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	805.03	439.43	-	-

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for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Sl No	Nature of transactions	Name of the Company	Fellow subsidiaries/Others		Key management personnel	
			Year ended		Year ended	
			March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
		ZF CV Control Systems Manufacturing India Private Limited	247.16	0.40	-	-
		ZF CV Distribution Germany GmbH & Co. KG, Germany	106.33	50.10	-	-
		ZF CV Systems Europe BV, Belgium	827.92	4,511.37	-	-
		ZF CV Systems Global GmbH, Switzerland	1,330.47	2,519.93	-	-
		ZF CV Systems North America LLC, USA	2.94	68.51	-	-
		ZF Active Safety and Electronics US LLC, USA	4.42	-	-	-
		ZF Autocruise France SAS	1.61	1.64	-	-
		ZF Active Safety GmbH	-	404.06	-	-
		ZF Automotive Brasil LTDA, Brazil	68.25	-	-	-
		ZF Automotive Systems (Shanghai) Co Ltd., China	0.48	0.48	-	-
		ZF CV Distribution UK Ltd.	12.43	19.16	-	-
		ZF Friedrichshafen AG	3,174.35	1,632.38	-	-
		ZF India Private Limited	34.87	79.99	-	-
		ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.	2.22	-	-	-
		ZF Drivtech (Jiaxing) Co., Ltd	6.74	-	-	-
9	Remuneration to Key managerial personnel (including commission to independent directors)	Salaries and Allowances	-	-	373.60	455.50
		Contribution to provident and other funds	-	-	27.83	30.50
		Incentive	-	-	183.22	434.81
		Commission and sitting fees	-	-	120.20	79.00
10	Reimbursement of expenses paid / (received)	ZF CV Systems Hannover GmbH, Germany	-	(29.42)	-	-
		WABCO Holdings Inc., USA	(25.38)	(23.58)	-	-
		ZF CV Solutions (Thailand) Limited	(8.30)	(7.40)	-	-
		ZF CV Control Systems Manufacturing India Private Limited	(198.96)	(44.56)	-	-
11	Loans given/(repaid)	ZF CV Control Systems Manufacturing India Private Limited	(500.00)	1,000.00	-	-
12	Loans receivable	ZF CV Control Systems Manufacturing India Private Limited	500.00	1,000.00	-	-

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

38 Segment information

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design and manufacture of products. The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

The following are the information relating to geographical segment:

Year ended March 31, 2025

	India	Others	Total
Sale of Products	2,15,104.68	1,16,176.21	3,31,280.89
Sale/rendering of services	5,440.49	39,966.70	45,407.19
Others	3,720.84	-	3,720.84
Revenue from operations	2,24,266.01	1,56,142.91	3,80,408.92
Non-current assets *	82,527.40	-	82,527.40

Year ended March 31, 2024

	India	Others	Total
Sale of Products	2,28,549.01	1,08,784.17	3,37,333.18
Sale/rendering of services	3,497.55	34,418.05	37,915.60
Others	3,122.07	-	3,122.07
Revenue from operations	2,35,168.63	1,43,202.22	3,78,370.85
Non-current assets *	78,982.09	-	78,982.09

* Non-current assets for this purpose consists of property, plant and equipment, right of use assets, intangible assets, capital work in progress, investment property and other non current assets.

Information about major customer

Revenue from major customers contributing more than 10% of sale of products amounted to INR 198,111.08 lakhs (March 31, 2024: INR 167,959.16 lakh), arising from sales of products and rendering of services.

39 Fair value

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2025:

Particulars	Fair Value Measurement using			
	Total	Level 1	Level 2	Level 3
Asset measured at fair value:				
FVTPL financial investments:				
Unquoted Mutual Funds	2,856.03	2,856.03	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2024:

Particulars	Fair Value Measurement using			
	Total	Level 1	Level 2	Level 3
Asset measured at fair value:				
FVTPL financial investments:				
Unquoted Mutual Funds	2,328.66	2,328.66	-	-

There have been no transfers between Level 1 and Level 2 during the year.

All other financial liabilities & assets are carried at amortised cost and their carrying value approximates fair value.

40 Financial risk management objectives and policies

The Company's principal financial liabilities, include trade and other payables. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans, deposits and FVTPL investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are primarily in fixed rate interest bearing investments. Also, the Company has no borrowings and hence not exposed to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The majority of the Company's revenue and expenses are in Indian Rupees, with the remainder denominated in US Dollars and EURO. The following table demonstrates the sensitivity to 5% change in USD and EURO exchange rates on foreign currency exposures as at the year end, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

	March 31, 2025		March 31, 2024	
	5% increase	5% decrease	5% increase	5% decrease
Impact of change in USD rates				
Trade receivables	113.37	(113.37)	134.80	(134.80)
Payables	33.82	(33.82)	113.13	(113.13)
Cash and cash equivalents	14.31	(14.31)	21.04	(21.04)
Impact of change in EURO rates				
Trade receivables	2,220.25	(2,220.25)	1,624.76	(1,624.76)
Payables	225.06	(225.06)	311.24	(311.24)
Cash and cash equivalents	267.30	(267.30)	124.16	(124.16)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks. Exposure to credit risk - The carrying amount of financial assets represents the maximum Credit exposure. The maximum exposure to Credit risk was INR 263,165.58 lakhs as at March 31, 2025 and INR 227,967.14 lakhs as at March 31, 2024, being the total of the carrying amount of balances with banks, deposits with banks, trade receivables and other financial assets. As at March 31, 2025, 80% of the total dues was receivable from top 10 customers (as at March 31, 2024 - 80%). These receivables are from customers whose credit rating is above the average. Credit risk from balances with banks and investment of surplus funds in mutual funds is managed by the Company's treasury department. The objective is to minimise the concentration of risks by investing in safer investments of high pedigree.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure funds are available for use as per requirements. The Company's prime source of liquidity is cash and cash equivalents and the cash generated from operations. The Company has no outstanding bank borrowings. The Company invests its surplus funds in bank, fixed deposit and mutual funds, which carry minimal mark to market risks. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	Contractual cashflows					Total
	Carrying amount	Less than 1 year	1 to 2 Years	2 to 5 Years	> 5 years	
As at March 31, 2025						
Trade payables	33,280.11	33,280.11	-	-	-	33,280.11
Lease liabilities	6,608.32	1,433.72	1,054.15	3,419.58	2,314.07	8,221.52
Other financial liabilities	5,098.32	5,098.32	-	-	-	5,098.32
	44,986.75	39,812.15	1,054.15	3,419.58	2,314.07	46,599.95
As at March 31, 2024						
Trade payables	37,406.38	37,406.38	-	-	-	37,406.38
Lease liabilities	6,843.64	1,197.78	1,315.49	2,948.16	3,390.38	8,851.81
Other financial liabilities	4,367.55	4,367.55	-	-	-	4,367.55
	48,617.57	42,971.71	1,315.49	2,948.16	3,390.38	50,625.74

41 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

	March 31, 2025	March 31, 2024
Trade payables	33,280.11	37,406.38
Other payables	21,688.47	20,663.32
Less: Cash and cash equivalents and current investments	(15,576.47)	(13,219.02)
Net debt	39,392.11	44,850.68
Shareholders Equity	3,21,080.31	2,78,865.20
Gearing ratio	0.12	0.16

42 Ratios

a) Current ratio = Current assets divided by Current liabilities

Particulars	March 31, 2025	March 31, 2024
Current assets	2,83,022.46	2,46,770.38
Current liabilities	46,931.49	49,952.66
Ratio	6.03	4.94
% change from previous year	22.0%	

Reason for change more than 25% : Not applicable

b) Debt-Equity Ratio = Total debt divided by total equity where total debt represents aggregate of current and non-current borrowings

Particulars	March 31, 2025	March 31, 2024
Total debt	-	-
Total equity	3,21,080.31	2,78,865.20
Ratio	-	-
% change from previous year	0.0%	

Reason for change more than 25% : Not applicable

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

c) Debt Service Coverage Ratio = Earnings available for debt services divided by total interest and principal repayments

Particulars	March 31, 2025	March 31, 2024
Profit after tax	45,865.82	40,477.94
Add:		
Depreciation and amortisation expense	12,270.06	10,948.78
Finance cost	570.47	500.91
Earnings available for debt services	58,706.35	51,927.63
Interest payments	570.47	500.91
Lease payments	616.79	444.86
Total interest and principal repayments	1,187.26	945.77
Ratio	49.45	54.91
% change from previous year	(9.9%)	

Reason for change more than 25% : Not applicable

d) Return on Equity ratio = Profit after tax divided by average shareholder's equity

Particulars	March 31, 2025	March 31, 2024
Profit after tax	45,865.82	40,477.94
Average shareholder's equity (refer note below)	2,99,972.76	2,59,888.44
Ratio	0.15	0.16
% change from previous year	(6.3%)	

Note: Average shareholder's equity = (Total shareholder's equity as at beginning of respective year + total shareholder's equity as at end of respective year) divided by 2

Reason for change more than 25% : Not applicable

e) Inventory turnover ratio = Cost of goods sold divided by average inventory

Particulars	March 31, 2025	March 31, 2024
Cost of goods sold (refer note 1 below)	2,25,402.91	2,36,868.73
Average inventory (refer note 2 below)	17,671.62	16,109.62
Ratio	12.76	14.70
% change from previous year	(13.2%)	

Note:

- Cost of goods sold includes cost of materials consumed and changes in inventories of finished goods and work-in-progress and consumption of stores and spares.
- Average inventory = (Total inventory as at beginning of respective year + total inventory as at end of respective year) divided by 2

Reason for change more than 25% : Not applicable

f) Trade receivables turnover ratio = Sales divided by average trade receivables

Particulars	March 31, 2025	March 31, 2024
Turnover (refer note 1 below)	3,79,672.45	3,78,126.56
Average trade receivables (refer note 2 below)	1,02,322.51	84,621.24
Ratio	3.71	4.47
% change from previous year	(17.0%)	

Note:

- Turnover represents revenue from operations excluding export incentives
- Average trade receivables = (Total trade receivables as at beginning of respective year + total trade receivables as at end of respective year) divided by 2

Reason for change more than 25% : Not applicable

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

g) Trade payables turnover ratio = Purchases divided by average trade payables

Particulars	March 31, 2025	March 31, 2024
Purchases (refer note 1 below)	2,27,084.18	2,37,999.57
Average trade payables (refer note 2 below)	35,343.25	36,637.40
Ratio	6.43	6.50
% change from previous year	(1.1%)	

Note:

- Purchases includes purchase of materials and consumption of stores and spares.
- Average trade payables = (Total Trade Payables as at beginning of respective year + Total Trade Payables as at end of respective year) divided by 2

Reason for change more than 25% : Not applicable

h) Net capital turnover ratio = Revenue from operations divided by working capital

Particulars	March 31, 2025	March 31, 2024
Revenue from operations	3,80,408.92	3,78,370.85
Working capital (refer note below)	2,36,090.97	1,96,817.72
Ratio	1.61	1.92
% change from previous year	(16.1%)	

Note: Working capital = Current assets - Current liabilities

Reason for change more than 25% : Not applicable

i) Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	March 31, 2025	March 31, 2024
Net profit after tax	45,865.82	40,477.94
Revenue from operations	3,80,408.92	3,78,370.85
Ratio	12.06%	10.70%
% change from previous year	12.7%	

Reason for change more than 25% : Not applicable

j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	March 31, 2025	March 31, 2024
Earnings before interest and taxes (refer note 1 below)	61,250.11	54,942.67
Capital employed (refer note 2 below)	3,25,212.50	2,82,810.03
Ratio	18.83%	19.43%
% change from previous year	(3.1%)	

Note:

- EBIT = Profit before taxes + finance cost
- Capital employed = Total equity - Deferred tax assets + Lease liabilities

Reason for change more than 25% : Not applicable

k) Return on investments = Income generated from invested funds divided by Average invested funds in treasury investments

Particulars	March 31, 2025	March 31, 2024
Income generated from invested funds	10,023.29	9,337.48
Average invested funds in treasury investments	1,28,580.70	1,19,125.31
Ratio	7.80%	7.84%
% change from previous year	(0.5%)	

Reason for change more than 25% : Not applicable

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

43 Other Statutory Information

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- iii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- iv) The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ('intermediaries') with the understanding (whether recorded in writing or otherwise) that the intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ('Funding Party') with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- vii) The Company has no transactions with struck off companies during the year.
- viii) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- ix) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year
- xi) The Company has not taken borrowings from banks and financial institutions on the basis of security of current assets.

44 Events after the reporting period

The Board has proposed a final dividend of 380% (INR 19 per share of the face value of INR 5 each) for the year 2024-25 subject to the approval of the members at the ensuing Annual General Meeting.

Material accounting policies (note 2.2)

**For and on behalf of the Board of Directors of
ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED**

Akash Passey
Chairman and Director
DIN: 01198068

M. Muthulakshmi
Company Secretary

Place: Chennai
Date: May 15, 2025

P Kaniappan
Managing Director
DIN: 02696192

Sweta Agarwal
Chief Financial Officer

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration no. 101248W/W-100022

K Sudhakar
Partner
Membership no.: 214150
Place: Chennai
Date: May 15, 2025

INDEPENDENT AUDITOR'S REPORT

To

the Members of ZF Commercial Vehicle Control Systems India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ZF Commercial Vehicle Control Systems India Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March

Revenue Recognition

See Note 2.2(c) and 18 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group's revenue is derived primarily from sale of goods. Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer. The Group uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised at a time which is different from transfer of control especially for sales transactions occurring on and around the year end. Therefore, ascertainment of timing of the revenue recognition has been identified as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, amongst others to obtain sufficient appropriate audit evidence: - Assessed the appropriateness of the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") including adequacy of disclosures. - Obtained an understanding and evaluated the Group's sales process including design and implementation of key controls and tested the operating effectiveness of such controls in relation to the timing of revenue recognition on a sample basis, with special reference to controls over revenue cut offs at period end. - Performed detailed testing of the sales transactions on a sample basis to test that the revenues and trade receivables are recorded appropriately, in the period in which the control is transferred, taking into consideration the terms and conditions of the customer orders, including the shipping terms.

2025, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
	- Tested, on a sample basis, whether revenue transactions near to the reporting date have been recognised in the appropriate period by verifying the transactions selected with relevant underlying documentation (customer order, transporter document, customer portal, etc). - Performed analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and to identify unusual transactions. - Obtained independent confirmations from the Group's customers on sample basis.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design,

implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical

requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 and that the back-up on a daily basis of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India considering that such back-ups on a daily basis are kept on servers outside India.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 34(A) to the consolidated financial statements.
- b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2025.
- c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2025. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India during the year ended 31 March 2025.
- d (i) The management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, as disclosed in the Note 40(iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, as disclosed in the Note 40(v) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 42 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the

year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination which included test checks, the Holding Company and its subsidiary have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that audit trail was not enabled at the database level for accounting software to log any direct data changes. For accounting software for which audit trail is enabled, the audit trail facility been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit. Additionally for the periods audit trail was enabled and operating effectively, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The subsidiary has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

K Sudhakar

Partner

Place: Chennai

Membership No.: 214150

Date: 15 May 2025

ICAI UDIN:25214150BMODGG7796

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of ZF Commercial Vehicle Control Systems India Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

K Sudhakar

Partner

Membership No.: 214150

ICAI UDIN:25214150BMODGG7796

Place: Chennai

Date: 15 May 2025

Annexure B to the Independent Auditor's Report on the consolidated financial statements of ZF Commercial Vehicle Control Systems India Limited for the year ended 31 March 2025**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of ZF Commercial Vehicle Control Systems India Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and

the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

K Sudhakar

Partner

Place: Chennai

Membership No.: 214150

Date: 15 May 2025

ICAI UDIN:25214150BMODGG7796



CONSOLIDATED BALANCE SHEET

as at March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	58,566.55	51,551.11
Capital work-in-progress	3.2	6,848.11	8,396.54
Right of use assets	3.1	13,690.34	14,374.84
Investment property	3.3	337.17	243.35
Intangible assets	3.1	1,053.05	1,116.74
Financial assets			
(i) Investments	4.1	177.33	175.00
(ii) Other financial assets	4.2	1,821.95	1,725.98
Deferred tax asset (net)	6.1	2,493.74	2,902.69
Non-current tax assets (net)	6.2	5,923.62	6,297.11
Other non-current assets	5	3,441.54	3,902.15
Total non-current assets		94,353.40	90,685.51
Current assets			
Inventories	7	19,057.01	17,534.42
Financial assets			
(i) Investments	4.1	2,856.03	2,328.66
(ii) Trade receivables	8	1,12,008.11	93,633.13
(iii) Cash and cash equivalents	9	12,959.82	11,445.79
(iv) Bank balances other than (iii) above	9.1	1,33,801.21	1,18,290.86
Other current assets	5	3,483.33	4,244.27
Total current assets		2,84,165.51	2,47,477.13
Total assets		3,78,518.91	3,38,162.64
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	948.38	948.38
Other equity	11	3,20,505.66	2,78,083.37
Total equity		3,21,454.04	2,79,031.75
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	12	5,660.02	6,132.78
Provisions	13	2,401.67	1,998.40
Total non-current liabilities		8,061.69	8,131.18
Current liabilities			
Financial liabilities			
(i) Lease liabilities	12	948.30	710.86
(ii) Trade payables	14		
- total outstanding dues of micro enterprises and small enterprises		1,072.70	1,569.99
- total outstanding dues of creditors other than micro enterprises and small enterprises		34,048.55	36,721.64
(iii) Other financial liabilities	15	5,180.98	4,477.39
Other current liabilities	16	4,521.77	4,724.68
Provisions	13	2,560.74	2,548.11
Current tax liabilities (net)	17	670.14	247.04
Total current liabilities		49,003.18	50,999.71
Total equity and liabilities		3,78,518.91	3,38,162.64

Material accounting policies.

2.2

Notes to the consolidated financial statements are an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors of
ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration no. 101248W/W-100022

Akash Passey
Chairman and Director
DIN: 01198068

P Kaniappan
Managing Director
DIN: 02696192

M. Muthulakshmi
Company Secretary

Sweta Agarwal
Chief Financial Officer

K Sudhakar
Partner
Membership no.: 214150
Place: Chennai
Date: May 15, 2025

Place: Chennai
Date: May 15, 2025

CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	18	3,83,096.25	3,81,564.74
Other income	19	10,819.72	9,481.61
Total income		3,93,915.97	3,91,046.35
Expenses			
Cost of materials consumed	20	2,22,951.60	2,35,042.76
Changes in inventories of finished goods and work-in-progress	21	(686.35)	(343.61)
Employee benefits expense	22	53,952.99	46,513.98
Finance costs	23	570.47	500.91
Depreciation and amortisation expense	24	12,425.23	10,979.88
Other expenses	25	43,770.20	43,709.37
Total expenses		3,32,984.14	3,36,403.29
Profit before tax		60,931.83	54,643.06
Tax expense	26		
- Current tax		14,342.61	14,682.80
- Deferred tax		516.22	(684.39)
		14,858.83	13,998.41
Profit for the year		46,073	40,644.65
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability / (asset)	27	(533.49)	(73.39)
Income tax relating to items that will not be reclassified to profit or loss	26	107.27	14.76
Other comprehensive income / (loss) for the year, net of tax		(426.22)	(58.63)
Total comprehensive income for the year, net of tax		45,646.78	40,586.02
Earnings per equity share of INR 5 each			
Basic earnings per share (INR)	28	242.90	214.28
Diluted earnings per share (INR)	28	242.90	214.28

Material accounting policies.

2.2

Notes to the consolidated financial statements are an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors of
ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration no. 101248W/W-100022

Akash Passey
Chairman and Director
DIN: 01198068

P Kaniappan
Managing Director
DIN: 02696192

M. Muthulakshmi
Company Secretary

Sweta Agarwal
Chief Financial Officer

K Sudhakar
Partner
Membership no.: 214150
Place: Chennai
Date: May 15, 2025

Place: Chennai
Date: May 15, 2025

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	March 31, 2025	March 31, 2024
A. Cash flow from/(used) in operating activities:			
Profit before tax		60,931.83	54,643.06
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortisation expense	24	12,425.23	10,979.88
Profit on sale of financial instruments (net)	19	(873.49)	(651.18)
Impairment allowance / reversal for bad and doubtful debts / advances	25	945.50	295.25
Interest income	19	(9,084.17)	(8,658.96)
Finance costs	23	570.47	500.91
Net loss on sale of property, plant and equipment	25	61.26	22.82
Net foreign exchange differences (unrealised)		(797.71)	(102.65)
Operating profit before working capital changes		64,178.92	57,029.13
Adjustments for :			
Increase in inventories		(1,522.59)	(1,838.21)
Increase in trade receivables		(18,498.05)	(17,969.34)
(Increase)/ decrease in other financial assets		(62.53)	143.54
Decrease in other assets		605.31	704.42
Decrease in trade payables, provisions and other liabilities, including financial liabilities		(2,546.67)	(940.49)
Cash generated from operations		42,154.39	37,129.05
Income tax paid		(13,546.02)	(17,843.53)
Net cash flow from/(used) in operating activities		28,608.37	19,285.52
B. Cash flow from/(used) in investing activities:			
Purchase of property, plant, equipment and intangible assets (including capital work in progress, capital advances and capital creditors)		(16,635.15)	(19,524.18)
Proceeds from sale of property, plant and equipment		89.10	27.10
Payment for acquiring right of use assets		0.17	(307.56)
Purchase of investment property		(111.97)	(233.41)
Purchase of mutual fund units		(34,998.25)	(61,996.90)
Proceeds from sale of mutual fund units		35,344.37	70,333.30
Purchase of non-current investments		(2.33)	-
(Purchase of) / proceeds from maturity of bank deposits (net)		(14,984.96)	(9,518.52)
Interest received		8,525.34	8,128.59
Net cash flows from/(used) in investing activities		(22,773.68)	(13,091.58)
C. Cash flow from/(used) in financing activities:			
Dividend paid		(3,224.49)	(2,465.79)
Payment of lease liabilities		(624.89)	(456.97)
Payment of interest on lease liabilities		(562.02)	(488.80)
Net cash flows from/(used) in financing activities		(4,411.40)	(3,411.56)
Net increase / (decrease) in cash and cash equivalents [A+B+C]		1,423.29	2,782.38
Cash and cash equivalents at the beginning of the year		11,445.79	8,648.27
Effect of movements in exchange rates on cash held		90.74	15.14

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	March 31, 2025	March 31, 2024
Cash and cash equivalents as at end of the year		12,959.82	11,445.79
Components of cash and cash equivalents			
i) Cash on hand		-	-
ii) On current accounts		12,959.82	11,445.79
Cash and cash equivalents as per balance sheet (refer note 9)		12,959.82	11,445.79

Material accounting policies (note 2.2)

Notes to the consolidated financial statements are an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors of
ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

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Chief Financial Officer

K Sudhakar
Partner
Membership no.: 214150

Place: Chennai
Date: May 15, 2025

Place: Chennai
Date: May 15, 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

a. Equity share capital

Equity shares of INR 5 each issued, subscribed and fully paid	No. of shares	Amount
Balance as at April 01, 2023	1,89,67,584	948.38
Changes in equity share capital during the year	-	-
Balance as at March 31, 2024	1,89,67,584	948.38
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	1,89,67,584	948.38

b. Other equity

For the year ended March 31, 2025

Particulars	Reserves and Surplus			Items of OCI	Total
	General reserve	Capital reorganisation reserve	Retained Earnings	Re-measurement of defined benefit liability	
Balance as at April 01, 2024	24,776.38	5.00	2,53,301.99	-	2,78,083.37
Profit for the year	-	-	46,073.00	(426.22)	45,646.78
Other comprehensive income (Note 27)	-	-	(426.22)	426.22	-
Total	24,776.38	5.00	2,98,948.77	-	3,23,730.15
Dividend	-	-	(3,224.49)	-	(3,224.49)
Balance as at March 31, 2025	24,776.38	5.00	2,95,724.28	-	3,20,505.66

For the year ended March 31, 2024

Particulars	Reserves and Surplus			Items of OCI	Total
	General reserve	Capital reorganisation reserve	Retained Earnings	Re-measurement of defined benefit liability	
Balance as at April 01, 2023	24,776.38	5.00	2,15,181.76	-	2,39,963.14
Profit for the year	-	-	40,644.65	(58.63)	40,586.02
Other comprehensive income (Note 27)	-	-	(58.63)	58.63	-
Total	24,776.38	5.00	2,55,767.78	-	2,80,549.16
Dividend	-	-	(2,465.79)	-	(2,465.79)
Balance as at March 31, 2024	24,776.38	5.00	2,53,301.99	-	2,78,083.37

Material accounting policies (Note 2.2)

Notes to the consolidated financial statements are an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors of
ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

As per our report of even date
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

1. Corporate Information

ZF Commercial Vehicle Control Systems India Limited ("Company", "ZF CVCS India") was incorporated originally on November 18, 2004. The Company is a public limited company domiciled in India and has its securities listed on BSE Limited and National Stock Exchange of India Limited in India. These consolidated financial statements comprise the Company and its subsidiary (referred to collectively as the 'Group'). The registered office of the Company is located at Plant 1, Plot No.3, (SP), III Main Road, Ambattur Industrial Estate, Chennai - 600 058, India. The Company's holding company is WABCO Asia Private Limited and ultimate holding company is ZF Friedrichshafen AG.

The Group is primarily engaged in the manufacture of air brake actuation systems for commercial vehicles. The Group is also engaged in rendering of software development and other services.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of directors at the meeting held on May 15, 2025.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Sec 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets, financial liabilities and defined benefit plan assets measured in accordance with Ind AS 19 (refer accounting policy on the same).

The consolidated financial statements are presented in INR (the functional currency of the Group) and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The material accounting policies are set out below in section 2.2

2.2 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied for all the years presented, unless otherwise stated.

(a) Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost.

Any resulting gain or loss is recognised in profit or loss. Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Current vs non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(c) Revenue recognition

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Goods and Services Tax (GST) is the tax collected on the commodities sold by the Group on behalf of the government, accordingly, it is excluded from revenue. Revenue recognised by the Group is net of price revision and claims. The specific revenue recognition criteria described below, must also be met before revenue is recognised.

a. Sale of products / goods

Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. The normal credit term is in the range of 15 to 90 days upon delivery except for some customers who are on advance payment term. Revenue from the sale of goods is measured at the transaction price, net of returns and allowances, trade discounts and volume rebates.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Volume rebates / discounts

Arrangements with most Original Equipment Manufacturer ('OEM') customers include a provision for volume rebates / discounts. In those instances where there is a valid expectation from the customers to receive a discount, the amount of variable consideration which is included in the transaction price may be constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognised under the arrangement will not occur in a future period. The Group applies the most likely amount method for determining the discount.

b. Revenue from sale / rendering of services

Revenue from software services

Revenue from sale of services is recognised as and when related costs are incurred and services are performed in accordance with the terms of specific contracts.

Revenue from research and development services

Revenue relating to research & development services are recognised on a fixed hourly basis when the services are rendered.

Revenue from business support services and other service income

Revenue from sale of services is recognised as related costs are incurred and services are performed in accordance with the terms of specific contracts. Revenue from test track usage income is recognised as and when the services are performed in accordance with contractual terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration for work completed but not billed as the billing is conditional upon completion of another milestone.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (q) financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(ii) Interest income

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the

asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use of selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market price in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investments and deposits measured at fair value, and for non-recurring measurement.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the consolidated financial statements

(e) Foreign currency transactions and balances

The Group's consolidated financial statements are presented in INR which is also the functional currency of the Group. Transactions in foreign currencies are initially recorded in the functional currency using the spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary item are recognised in consolidated statement of profit or loss.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes cost incurred in bringing each product to its present location, condition and are accounted for as follows:

Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work-in-progress: Cost includes cost of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity, but excluding borrowing costs.

Stores and spare parts: Cost includes cost of purchase and other costs incurred in bringing the

inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty

Provisions for warranty related costs are recognised as and when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is reviewed annually. A provision is recognised for expected warranty claims on products sold, based on past experience of the level of repairs and returns. Assumptions used to calculate the provision for warranties are based on current sales levels and current information available about returns. The Group generally offers 12 - 24 months of warranty for its products.

(h) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. It includes a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. It also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(i) Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(j) Taxes

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside consolidated statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(k) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(l) Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of duty / tax credit availed) less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost of an item of property, plant and equipment comprises its purchase price, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Advance paid towards the acquisition of property, plant and equipment are shown under non-current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. The cost of property, plant and equipment not ready for intended use before such date is disclosed under capital work-in-progress. Freehold land is carried at historical cost less any accumulated impairment losses.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied and the same is depreciated based on their specific useful lives. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

The Group identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset.

Depreciation is provided using the straight line method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule II of the Companies Act, 2013. The useful life estimate for major classes of assets is as follows:

Asset block	Useful life of the asset (years)
Buildings	10-30
Plant and machinery	10-21
Tools, Dies & Jigs	3-5
Computers	3
Office & other equipments	5-13
Furniture and fixtures	10
Vehicles	6

The Group, based on assessment made by technical expert and management estimate, depreciates certain items of building, plant and machinery over estimated useful lives and residual value which are different from the useful life and residual values prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 01, 2015 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Intangible assets

Intangible assets with finite useful lives that are acquired separately, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Costs incurred towards purchase of computer software and licenses are amortised using the straight-line method over a period based on management's estimate of useful lives of such computer software and licenses being 2 / 3 years, or over the license period of the software, whichever is shorter.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in consolidated statement of profit and loss when the asset is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

Impairment of property, plant and equipment and intangible assets carried at cost

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets or cash-generating units (CGU) recoverable value and its value in use. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending only for change in assumptions or internal/external factors. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(m) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation is provided using the straight line method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule II of the Companies Act, 2013.

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. It also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(o) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct

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costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

(p) Retirement and other employee benefits

i. Defined benefit plan

• Provident Fund

Eligible employees of Company received benefits from a provident fund, which was a defined benefit plan. Under the plan, both the eligible employee and the Company made monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The provident fund contributions are made to employee provident fund organisation.

• Gratuity and Pension

Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on separation at 15 days of last drawn basic salary for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

The Group also operates a pension plan for select employees, the eligibility and the terms and conditions of payment are at the discretion of the Group. Gratuity and pension liabilities are defined benefit obligations and are provided for on the basis of an actuarial valuation done as per the projected unit credit method as at the end of each financial year.

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for the year ended March 31, 2025

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

ii. Other employment benefits

• Compensated absence

Short term compensated absences are provided for based on estimates. Long term compensated absences in the nature of defined benefit plan are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. Re-measurement gain or loss is taken to the consolidated statement of profit and loss and are not deferred.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss as service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income.

iii. Defined contribution plan.

Defined contribution plan includes contribution to employee state insurance scheme, employee provident fund (from the period of surrender of the Trust as mentioned above) and employee pension scheme. The Group has no obligation other than the contribution payable under the above schemes. The Group recognises the contribution payable to the above schemes as an expenditure when the employee renders related service. If the contribution payable to the schemes for services received before the Balance

Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If on the other hand the contribution already paid exceeds the contribution due for the services received before the Balance Sheet date, then the excess is recognised as an asset to the extent that the prepayment will lead to reduction in future payment or cash refund.

iv. Termination benefits - Voluntary retirement

The Group has a scheme of voluntary retirement applicable to certain employees. The amount payable under such scheme is recognised earlier of when the employee accepts the offer or when a restriction of the entity's ability to accept the offer takes effect.

(q) Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning

contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual

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for the year ended March 31, 2025

cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other

net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of

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for the year ended March 31, 2025

the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(r) Dividend to shareholders

Final dividend distributed to equity shareholders is recognised in the period in which it is approved by the members of the Group in the Annual General Meeting.

Interim dividend is recognised when approved by the Board of Directors at the Board Meeting. Both final dividend and interim dividend are recognised in the Consolidated Statement of Changes in Equity.

(s) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

(t) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable to the Group w.e.f. April 01, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

3.1 Property plant and equipment, Right of use assets and Intangible assets

Reconciliation of carrying amount Description	Property, plant and equipment						Right of use assets			Intangible Assets	
	Freehold Land	Buildings	Plant and Machinery, Tools, Dies & Jigs	Furniture and fixtures	Office and other equipments	Vehicles	Total	Leasehold land	Buildings	Total	Computer software and licenses
Cost											
Balance as at April 01, 2023	1,829.06	9,845.30	74,930.60	1,898.06	9,415.71	518.54	98,437.27	8,258.00	6,789.29	15,047.29	4,385.37
Add: Additions	-	5,350.98	8,511.39	336.23	3,404.50	29.63	17,632.73	307.56	786.66	1,094.22	677.43
Less: Disposals / Derecognition	-	-	113.50	-	706.09	-	819.59	-	195.58	195.58	-
Less: Reclassification to investment property	-	-	-	-	-	-	-	12.10	-	12.10	-
Balance as at March 31, 2024	1,829.06	15,196.28	83,328.49	2,234.29	12,114.12	548.17	1,15,250.41	8,553.46	7,380.37	15,933.83	5,062.80
Balance as at April 01, 2024	1,829.06	15,196.28	83,328.49	2,234.29	12,114.12	548.17	1,15,250.41	8,553.46	7,380.37	15,933.83	5,062.80
Add: Additions	-	1,491.25	14,409.27	133.13	1,746.76	63.62	17,844.03	-	389.92	389.92	590.74
Less: Disposals / Derecognition	-	11.62	1,171.73	-	520.87	9.20	1,713.42	-	-	-	-
Balance as at March 31, 2025	1,829.06	16,675.91	96,566.03	2,367.42	13,340.01	602.59	1,31,381.02	8,553.46	7,770.29	16,323.75	5,653.54
Accumulated depreciation and impairment losses											
Balance as at April 01, 2023	-	3,619.19	44,388.20	416.37	6,411.89	317.40	55,153.05	159.21	649.26	808.47	3,230.36
Add: Charge for the year	-	496.15	6,568.50	233.25	1,968.22	49.80	9,315.92	86.86	860.43	946.29	715.70
Less: Disposals / Derecognition	-	-	102.23	-	667.44	-	769.67	-	195.58	195.58	-
Less: Reclassification to investment property	-	-	-	-	-	-	-	0.19	-	0.19	-
Balance as at March 31, 2024	-	4,115.34	50,854.47	649.62	7,712.67	367.20	63,699.30	244.88	1,314.11	1,558.99	3,946.06
Balance as at April 01, 2024	-	4,115.34	50,854.47	649.62	7,712.67	367.20	63,699.30	244.88	1,314.11	1,558.99	3,946.06
Add: Charge for the year	-	666.13	7,924.56	209.83	1,827.11	50.60	10,678.23	85.45	988.97	1,074.42	654.43
Less: Disposals / Derecognition	-	11.03	1,047.64	-	495.65	8.74	1,563.06	-	-	-	-
Balance as at March 31, 2025	-	4,770.44	57,731.39	859.45	9,044.13	409.06	72,814.47	330.33	2,303.08	2,633.41	4,600.49
Carrying amounts											
As at March 31, 2024	1,829.06	11,080.94	32,474.02	1,584.67	4,401.45	180.97	51,551.11	8,308.58	6,066.26	14,374.84	1,116.74
As at March 31, 2025	1,829.06	11,905.47	38,834.64	1,507.97	4,295.88	193.53	58,566.55	8,223.13	5,467.21	13,690.34	1,053.05

Note: The Group has not revalued its property, plant and equipment, intangible assets and right of use assets.

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for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

3.2 Capital work-in-progress

Capital Work-In-Progress ('CWIP') comprises expenditure for the plant and machinery, tools, dies & jigs and buildings in various stages of installation.

	March 31, 2025					March 31, 2024				
Opening balance	8,396.54					7,703.35				
Additions	16,998.31					19,236.76				
Capitalisation / adjustments	(18,434.77)					(18,310.16)				
Reclassification to investment property	(111.97)					(233.41)				
Closing balance	6,848.11					8,396.54				

	As at March 31, 2025					As at March 31, 2024				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,843.32	1,004.79	-	-	6,848.11	6,866.18	1,358.20	172.16	-	8,396.54
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	5,843.32	1,004.79	-	-	6,848.11	6,866.18	1,358.20	172.16	-	8,396.54

Note: The Group does not have any capital work-in-progress which is overdue or has exceeded its cost compared to its original plan and hence, capital work-in-progress completion schedule is not applicable.

3.3 Investment property

Description	Land	Buildings	Plant and Machinery, Tools, Dies & Jigs	Furniture and fixtures	Office and other equipments	Total
A. Reconciliation of carrying amount						
Gross carrying amount						
Balance as at April 01, 2023	-	-	-	-	-	-
Add: Additions	-	162.42	38.02	-	32.97	233.41
Add: Reclassification from right of use assets (refer note 3.1)	11.91	-	-	-	-	11.91
Balance as at March 31, 2024	11.91	162.42	38.02	-	32.97	245.32
Balance as at April 01, 2024	11.91	162.42	38.02	-	32.97	245.32
Add: Additions	-	102.90	-	0.94	8.13	111.97
Balance as at March 31, 2025	11.91	265.32	38.02	0.94	41.10	357.29
Accumulated depreciation						
Balance as at April 01, 2023	-	-	-	-	-	-
Add: Depreciation for the year	0.03	0.90	0.40	-	0.64	1.97
Balance as at March 31, 2024	0.03	0.90	0.40	-	0.64	1.97
Balance as at April 01, 2024	0.03	0.90	0.40	-	0.64	1.97
Add: Depreciation for the year	0.18	6.14	4.44	0.14	7.25	18.15
Balance as at March 31, 2025	0.21	7.04	4.84	0.14	7.89	20.12
Carrying amounts						
As at March 31, 2024	11.88	161.52	37.62	-	32.33	243.35
As at March 31, 2025	11.70	258.28	33.18	0.80	33.21	337.17

Investment property comprises land and building that are leased to the fellow subsidiaries. Further information about these leases are included in Note 33. During the year ended March 31, 2024, a portion of land from right of use of assets have been transferred (see Note 3.1) to investment property, since the said portion of land was no longer used by the Group and as such it was decided that the said land would be leased out.

The Group has no restrictions on the realisability of its investment property.

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for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	March 31, 2025	March 31, 2024
B. Amounts recognised in profit or loss		
Rental income from the investment property	18.62	4.46
Less: Depreciation	(18.15)	(1.97)
Profit	0.47	2.49

C. Fair value hierarchy and valuation technique

The fair value of investment properties amounted to INR 347.20 lakhs (March 31, 2024: INR 243.35 lakhs). These disclosures are based on external information available with the Group.

4.1 Investments

	March 31, 2025	March 31, 2024
Non-Current - unquoted		
Investment in others - measured at cost		
1,750,000 (previous year: 1,750,000) equity shares of INR 10 each fully paid up in Enerparc Solar Power 3 Private Limited	175.00	175.00
2,334 (previous year: Nil) equity shares of INR 100 each fully paid up in Santhi Renewables Energies Private Limited	2.33	-
	177.33	175.00
Current - unquoted		
Investments at fair value through profit or loss (fully paid)		
Investments in Mutual Funds	2,856.03	2,328.66
	2,856.03	2,328.66
Aggregate value of unquoted investments	3,033.36	2,503.66
Aggregate amount of impairment in value of investments	-	-

4.2 Other financial assets

	March 31, 2025	March 31, 2024
Non-Current		
Non-current bank balances (refer note below)	337.96	304.52
Security deposits	1,483.99	1,421.46
	1,821.95	1,725.98

Note: Represents deposits placed with banks as margin money towards guarantees provided by the banks on behalf of the Group.

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

5 Other assets

	March 31, 2025	March 31, 2024
Non-Current		
Capital advances (Unsecured considered good)	529.73	1,027.77
Capital advances (Unsecured considered doubtful)	169.58	120.16
Less: Provision for doubtful advances	(169.58)	(120.16)
	529.73	1,027.77
Amount paid under protest	1,842.81	1,842.81
Net defined benefit asset – pension plan (refer note 31)	1,069.00	1,031.57
	3,441.54	3,902.15
Current		
Advances to vendors (Unsecured considered good)*	1,617.67	1,412.64
Advances to vendors (Unsecured considered doubtful)	697.00	578.80
Less: Provision for doubtful advances	(697.00)	(578.80)
	1,617.67	1,412.64
Grant receivable (export incentive)	55.22	280.22
Prepaid expenses	1,295.11	1,504.18
Balance with government authorities	515.33	1,047.23
	3,483.33	4,244.27

*For amount outstanding from related parties and the terms and conditions relating to that, refer Note 35.

6.1 Deferred tax assets (net)

Nature - (Liability) / Asset	Balance Sheet		Statement of Profit and Loss	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Deferred tax assets				
Provision for doubtful trade receivables and advances	928.07	690.16	237.91	(0.43)
Provision for employee benefits and others	1,362.66	1,209.41	153.25	102.75
Provision for warranty	333.42	495.18	(161.76)	92.54
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	-	72.42	(72.42)	72.42
Others	487.67	435.52	52.15	219.76
Total (A)	3,111.82	2,902.69	209.13	487.04
Deferred tax liabilities				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(618.08)	-	(618.08)	(212.11)
Others	-	-	-	-
Total (B)	(618.08)	-	(618.08)	(212.11)
Deferred tax expenses / (income) (B-A)			(827.21)	(699.15)
Net deferred tax (liabilities) / assets (A-B)	2,493.74	2,902.69		

Reconciliation of deferred tax assets / (liabilities) - (net)

	March 31, 2025	March 31, 2024
As on April 01	2,902.69	2,203.54
Tax income/(expense) during the period recognised in profit and loss	(516.22)	684.39
Tax income/(expense) during the period recognised in OCI	107.27	14.76
As on March 31	2,493.74	2,902.69

6.2 Non-current tax assets (net)

	March 31, 2025	March 31, 2024
Advance income tax (net of provision for tax)	5,923.62	6,297.11
	5,923.62	6,297.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

7 Inventories

(lower of cost and net realisable value)

	March 31, 2025	March 31, 2024
Raw materials*	13,436.21	12,865.55
Work-in-progress	407.10	301.96
Finished goods	3,882.17	3,300.96
Stores and spare parts	1,331.53	1,065.95
	19,057.01	17,534.42
*includes goods in transit	5,212.03	3,927.57

During the year ended March 31, 2025: INR 27.99 lakhs (March 31, 2024: INR 38.68 lakhs) was recognised as an expense for inventories carried at net realisable value.

8 Trade receivables

	March 31, 2025	March 31, 2024
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,14,550.34	95,398.09
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	1,14,550.34	95,398.09
Less: Loss allowance (expected credit loss allowance)	(2,542.23)	(1,764.96)
	1,12,008.11	93,633.13

Trade receivables Ageing schedule

As at March 31, 2025

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	94,869.20	16,410.04	1,532.61	735.17	395.71	607.61	1,14,550.34
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	94,869.20	16,410.04	1,532.61	735.17	395.71	607.61	1,14,550.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

As at March 31, 2024

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	83,891.60	9,937.21	381.08	323.45	158.37	706.38	95,398.09
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	83,891.60	9,937.21	381.08	323.45	158.37	706.38	95,398.09

No trade receivable are due from directors or other officers of the Group either severally or jointly with any other person. For amount outstanding from related parties and the terms and conditions relating to that, refer Note 35. Trade receivables are non-interest bearing and are generally on terms of 15 to 90 days depending on the type of the customer.

9 Cash and cash equivalents

	March 31, 2025	March 31, 2024
Cash on hand	-	-
Balances with banks:		
- On current accounts	12,959.82	11,445.79
	12,959.82	11,445.79
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
i) Cash on hand	-	-
ii) On current accounts	12,959.82	11,445.79
	12,959.82	11,445.79

9.1 Other bank balances

	March 31, 2025	March 31, 2024
Deposits with banks with original maturity of more than three months but less than twelve months	1,33,767.77	1,18,208.94
Earmarked balances with banks	33.44	81.92
	1,33,801.21	1,18,290.86
Earmarked balances with banks primarily relate to unclaimed dividends and unspent corporate social responsibility account		
Break up of financial assets carried at amortised cost		
Trade receivables (note 8)	1,12,008.11	93,633.13
Cash and cash equivalents (note 9)	12,959.82	11,445.79
Bank balances other than cash and cash equivalents (note 9.1)	1,33,801.21	1,18,290.86
Other financial assets (note 4.2)	1,821.95	1,725.98
Total financial assets at amortised cost	2,60,591.09	2,25,095.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

10 Equity share capital

	March 31, 2025	March 31, 2024
Authorised capital	-	-
20,000,000 equity shares of INR 5 each (March 31, 2024: 20,000,000)	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, subscribed and fully paid-up capital		
18,967,584 equity shares of INR 5 each (March 31, 2024: 18,967,584)	948.38	948.38
	948.38	948.38

Terms / rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	Number of shares	Amount
At April 01, 2023	1,89,67,584	948.38
Issued during the year	-	-
At March 31, 2024	1,89,67,584	948.38
Issued during the year	-	-
At March 31, 2025	1,89,67,584	948.38

Shares held by holding company or their subsidiaries or associates

Out of equity shares issued by the Company, shares held by its holding Company or their subsidiaries or associates are as below:

Name of the Shareholder	March 31, 2025		March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
WABCO Asia Private Limited, Singapore (Holding Company)	1,19,80,684	599.03	1,42,25,684	711.28

Apart from the above, there are no shares held by the Ultimate Holding Company, or their subsidiaries or associates.

Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2025		March 31, 2024	
	In numbers	% holding in the class	In numbers	% holding in the class
Equity shares of INR 5 each fully paid				
WABCO Asia Private Limited, Singapore (Holding Company)	1,19,80,684	63.16%	1,42,25,684	75.00%
SBI Large & Midcap Fund	2,89,060	1.52%	16,29,747	8.59%

As per records of the Company, including its register of members, the above shareholding represents both legal and beneficial ownerships of shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Details of shares held by promoters

	As at March 31, 2025		As at March 31, 2024		% of change during the year
	No. of shares	% of total of shares	No. of shares	% of total of shares	
WABCO Asia Private Limited, Singapore (Holding Company)	1,19,80,684	63.16%	1,42,25,684	75.00%	(15.78%)
	1,19,80,684	63.16%	1,42,25,684	75.00%	0.00%

	As at March 31, 2024		As at March 31, 2023		% of change during the year
	No. of shares	% of total of shares	No. of shares	% of total of shares	
WABCO Asia Private Limited, Singapore (Holding Company)	1,42,25,684	75.00%	1,42,25,684	75.00%	0.00%
	1,42,25,684	75.00%	1,42,25,684	75.00%	0.00%

There are no bonus shares or buy-back of shares or shares issued for consideration other than cash during a period of five years immediately preceding the year ended March 31, 2025.

11 Other equity

	March 31, 2025	March 31, 2024
General reserve	24,776.38	24,776.38
Other reserves		
Capital reorganisation reserve	5.00	5.00
Retained earnings	2,95,724.28	2,53,301.99
	3,20,505.66	2,78,083.37

General reserve - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital reorganisation reserve - Amount represents a reserve created during the demerger of brakes division from Sundaram Clayton Limited.

Retained Earnings - The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Group and also considering the requirements of the Companies Act, 2013.

11.1 Dividends

The following dividends were declared and paid by the Holding Company during the year:

	March 31, 2025	March 31, 2024
INR 17 per equity share (March 31, 2024: INR 13)	3,224.49	2,465.79
	3,224.49	2,465.79

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting of the Holding Company; the dividends have not been recognised as liabilities.

	March 31, 2025	March 31, 2024
INR 19 per equity share (March 31, 2024: INR 17)	3,603.84	3,224.49
	3,603.84	3,224.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

12 Lease liabilities

	March 31, 2025	March 31, 2024
Non - Current		
Lease liabilities	5,660.02	6,132.78
	5,660.02	6,132.78
Current		
Lease liabilities	948.30	710.86
	948.30	710.86

13 Provisions

	March 31, 2025	March 31, 2024
Non-current		
Provision for employee benefits		
Provision for compensated absences	1,578.43	1,206.14
Other provisions		
Provision for warranties	823.24	792.26
Total	2,401.67	1,998.40
Current		
Provision for employee benefits		
Provision for compensated absences	342.45	200.35
Provision for gratuity (net of fair value of plan assets)	1,700.62	1,163.53
Other provisions		
Provision for warranties	517.67	1,184.23
Total	2,560.74	2,548.11
Provision for warranties		
At the beginning of the year	1,976.49	1,600.42
Created during the year	935.21	1,228.27
Utilised / reversed during the year	(1,570.79)	(852.20)
At the end of the year	1,340.91	1,976.49

The estimated provision for warranty obligations is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is the balance unexpired period of the respective warranties on the various products which range from 12 to 24 months.

14 Trade payables

	March 31, 2025	March 31, 2024
Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises ('MSME')	1,072.70	1,569.99
- Total outstanding dues of creditors other than micro enterprises and small enterprises	34,048.55	36,721.64
	35,121.25	38,291.63

For amount outstanding to related parties and the terms and conditions relating to that, refer Note 35.

Trade payables Ageing Schedule

As at March 31, 2025

	Unbilled dues	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	1,072.53	-	-	0.17	1,072.70
Others	5,957.20	8,218.83	18,812.94	440.23	238.20	381.15	34,048.55
Disputed - MSME	-	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-	-
	5,957.20	8,218.83	19,885.47	440.23	238.20	381.32	35,121.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

As at March 31, 2024

	Unbilled dues	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	345.08	1,223.86	-	0.03	1.02	1,569.99
Others	5,157.66	24,142.30	6,451.43	291.06	134.99	544.20	36,721.64
Disputed - MSME	-	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-	-
	5,157.66	24,487.38	7,675.29	291.06	135.02	545.22	38,291.63

15 Other financial liabilities

	March 31, 2025	March 31, 2024
Capital creditors		
- Total outstanding dues of micro enterprises and small enterprises ('MSME')	110.03	41.32
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,153.00	1,419.14
Price adjustments (refer note below)	3,884.54	2,985.53
Unpaid dividends	33.41	31.40
	5,180.98	4,477.39

Note: Price adjustments is recognised when there is a reasonable certainty that the amounts will be settled. The estimate takes into account the expected claim and the historical information regarding settlement of such claims. The outstanding liability represents the amounts that are yet to be settled in relation to the products that were sold.

Break up of financial liabilities carried at amortised cost

	March 31, 2025	March 31, 2024
Trade payables (note 14)	35,121.25	38,291.63
Lease liabilities (note 12)	6,608.32	6,843.64
Other financial liabilities (note 15)	5,180.98	4,477.39
	46,910.55	49,612.66

16 Other current liabilities

	March 31, 2025	March 31, 2024
Advance from customers	478.07	650.28
Statutory dues payable	1,776.36	1,263.72
Liability towards corporate social responsibility	-	99.70
Employee payables	2,267.34	2,710.98
	4,521.77	4,724.68

17 Current tax liabilities (net)

	March 31, 2025	March 31, 2024
Provision for taxation (net of advance income tax)	670.14	247.04
	670.14	247.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

18 Revenue from operations

	March 31, 2025	March 31, 2024
(i) Revenue from contract with customers		
Sale of products (A)		
Air assist and full air actuation systems	2,83,558.10	2,92,811.73
Spares	50,472.60	47,850.50
	3,34,030.70	3,40,662.23
Sale/rendering of services (B)		
Software services	28,610.78	23,932.12
Research and development services	4,816.58	4,487.99
Business support services	6,470.80	5,890.86
Other service income	5,440.49	3,469.47
	45,338.65	37,780.44
(ii) Other operating revenue (C)		
Scrap sales	1,848.89	1,889.66
Government grant (Export incentives - Refer note below)	736.47	244.29
Test track usage income	1,141.54	988.12
	3,726.90	3,122.07
Total (A+B+C)	3,83,096.25	3,81,564.74

Note - Government grants represent export incentives that the Group is eligible for. There are no unfulfilled conditions or contingencies attached to these grants.

	March 31, 2025	March 31, 2024
Disaggregated information		
Timing of revenue recognition		
Goods / services transferred at a point in time	3,37,021.13	3,43,540.01
Services transferred over time	45,338.65	37,780.44
	3,82,359.78	3,81,320.45
Contract balances		
Trade receivables (refer note 8)	1,12,008.11	93,633.13
Contract liabilities (refer note 16)	478.07	650.28

Trade receivables are non-interest bearing and are generally on terms of 15 to 90 days.

Contract assets are recognised over time based on the progress of completion of the service as per the terms of the contract, as the customer simultaneously receives and consumes the benefits provided by the Group. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

	March 31, 2025	March 31, 2024
Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contract price	3,88,211.76	3,83,150.75
Adjustments		
Discounts and price adjustments	(5,851.98)	(1,830.30)
Revenue from contract with customers	3,82,359.78	3,81,320.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

19 Other income

	March 31, 2025	March 31, 2024
Gain on sale of investments (net)	873.49	651.18
Gain on foreign currency transactions	579.43	167.01
Interest income	9,084.17	8,658.96
Rental income from investment property	18.62	4.46
Others	264.01	-
	10,819.72	9,481.61

20 Cost of materials consumed

	March 31, 2025	March 31, 2024
Inventories at the beginning of the year	12,865.55	11,418.27
Add: Purchases	2,23,522.26	2,36,490.04
Less: Inventories at the end of the year	13,436.21	12,865.55
Cost of raw material and components consumed	2,22,951.60	2,35,042.76

21 Changes in inventories of finished goods and work-in-progress

	March 31, 2025	March 31, 2024
Opening stock		
Work-in-progress	301.96	564.21
Finished goods	3,300.96	2,695.10
	3,602.92	3,259.31
Closing Stock		
Work-in-progress	407.10	301.96
Finished goods	3,882.17	3,300.96
	4,289.27	3,602.92
	(686.35)	(343.61)

22 Employee benefits expense

	March 31, 2025	March 31, 2024
Salaries, wages and bonus	46,485.56	40,030.67
Contribution to provident and other funds	3,538.99	2,985.63
Staff welfare expenses	3,928.44	3,497.68
	53,952.99	46,513.98

23 Finance costs

	March 31, 2025	March 31, 2024
Interest expense on lease liabilities	562.02	488.80
Interest on others	8.45	12.11
	570.47	500.91

24 Depreciation and amortisation expense

	March 31, 2025	March 31, 2024
Depreciation of property, plant and equipment (note 3.1)	10,678.23	9,315.92
Depreciation on right of use assets (note 3.1)	1,074.42	946.29
Amortisation of intangible assets (note 3.1)	654.43	715.70
Depreciation on investment property (note 3.3)	18.15	1.97
	12,425.23	10,979.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

25 Other expenses

	March 31, 2025	March 31, 2024
Consumption of stores and spares	4,872.98	4,770.59
Power and fuel	2,736.62	2,712.59
Rent	863.96	810.29
Repairs to buildings	452.95	444.38
Repairs to machinery	1,358.23	1,137.57
Repairs others	33.64	25.58
Insurance	272.96	304.06
Rates and taxes	831.50	887.43
Professional fees	5,693.35	5,337.46
Travelling and conveyance	1,486.87	1,454.96
Freight, delivery and shipping charges	7,099.27	7,732.00
Research and development expenses	1,103.53	1,389.22
Impairment allowance / reversal for bad and doubtful debts / advances	945.50	295.25
Directors' sitting fees	10.20	6.60
Information technology expenses	4,474.56	3,122.21
Expenditure on corporate social responsibility	778.03	518.53
Royalty	9,027.25	9,943.17
Net loss on sale of property, plant and equipment	61.26	22.82
Warranty	935.21	1,526.71
Other expenses (including commission to independent directors)	732.33	1,267.95
	43,770.20	43,709.37

26 Income tax expense

	March 31, 2025	March 31, 2024
A. Amounts recognised in profit or loss		
Current Tax:		
Current year	14,342.61	14,682.80
Deferred Tax:		
Relating to the origination and reversal of temporary differences	516.22	(684.39)
Tax expense	14,858.83	13,998.41
B. Amounts recognised in other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability / (asset)	(107.27)	(14.76)
	(107.27)	(14.76)
C. Reconciliation of effective tax rate		
Profit before tax	60,931.83	54,643.06
Group's domestic tax rate	25.168%	25.168%
Tax using the Group's domestic tax rate	15,335.32	13,752.57
Tax effect of:		
- Non deductible expenses	157.17	124.43
- Others	(633.66)	121.41
	14,858.83	13,998.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

27 Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

	FVTOCI	Total
During the year ended March 31, 2025		
Re-measurement gains (losses) on defined benefit plans	(426.22)	(426.22)
	(426.22)	(426.22)
During the year ended March 31, 2024		
Re-measurement gains (losses) on defined benefit plans	(58.63)	(58.63)
	(58.63)	(58.63)

28 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2025	March 31, 2024
Profit after tax	46,073.00	40,644.65
Weighted average number of shares		
- Basic	1,89,67,584	1,89,67,584
- Diluted	1,89,67,584	1,89,67,584
Earning per share of INR 5 each		
- Basic	242.90	214.28
- Diluted	242.90	214.28

29 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the Grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key Judgements estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following key judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in consolidated financial statements. Loss contingencies that are considered possible are not provided for but disclosed as contingent liabilities in the consolidated financial statements. Contingencies the likelihood of which is remote are not disclosed in the consolidated financial statements. Gain contingencies are not recognised until the contingency has been resolved and amounts are received or receivable. The management estimates likely outcome of any pending cases and other contingencies based upon the Group's / expert's interpretation of applicable tax laws, relevant judicial pronouncements.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about defined benefit obligations are given in note 31.

Allowance for inventories

An allowance for inventory is recognised where the realisable value is estimated to be lower than the inventory carrying value. The inventory allowance is estimated taking into account various factors and losses associated with obsolete / slow-moving / redundant inventory items. The Group has, based on these assessments, made adequate allowance in the books.

30 Employee Benefits Obligation

Defined Benefit Plan

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972 ('Act'). Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as Group take on uncertain long term obligations to make future benefit payments.

1) Liability risks

i) Asset-Liability Mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Group is successfully able to neutralise valuation swings caused by interest rate movements.

ii) Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

iii) Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset risks

All plan assets are maintained in a trust fund managed by LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

31 Defined Benefit Plan

	Gratuity		Pension Plan	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Current service cost	570.57	470.90	-	-
Net interest expense / (income)	83.55	53.77	(73.19)	(68.38)
Components of defined benefit cost recognised in profit or loss	654.12	524.67	(73.19)	(68.38)
Re-measurement on the net defined benefit liability comprising:				
Actuarial (gains)/losses changes arising from changes in financial assumptions	200.99	106.22	114.87	46.39
Actuarial (gains)/losses changes arising from experience adjustments	262.26	(8.37)	(79.12)	(81.17)
Return on plan assets (excluding amounts included in net interest expense)	34.49	10.32	-	-
Components of defined benefit cost recognised in other comprehensive income	497.74	108.17	35.75	(34.78)
	1,151.86	632.84	(37.44)	(103.16)

The current service cost and the net interest expense for the year are included in the 'employee benefit expense' in profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the financial position arising from the Group's obligation in respect of its defined benefit plans is as follows:

Present value of defined benefit obligation	4,813.18	3,869.52	2,213.26	2,138.08
Fair value of plan assets	3,112.56	2,705.99	3,282.26	3,169.65
Net assets/(liabilities) from defined benefit obligation	(1,700.62)	(1,163.53)	1,069.00	1,031.57
Movements in the present value of the defined benefit obligation were as follows:				
Opening defined benefit obligation	3,869.52	3,270.09	2,138.09	2,128.37
Current service cost	570.57	470.90	-	-
Interest cost	278.24	231.01	151.70	156.77
Actuarial (gains)/losses changes arising from changes in financial assumptions	200.99	106.22	114.87	46.39
Actuarial (gains)/losses changes arising from experience adjustments	262.26	(8.37)	(79.12)	(81.17)
Benefits paid	(368.40)	(200.33)	(112.28)	(112.28)
Closing defined benefit obligation	4,813.18	3,869.52	2,213.26	2,138.08
Movements in the fair value of the plan assets were as follows:				
Opening fair value of plan assets	2,705.99	2,358.23	3,169.65	3,056.78
Investment / Interest Income	194.69	177.24	224.89	225.15
Employer's Contributions	614.77	381.17	-	-
Return on plan assets (excluding amounts included in net interest expense)	(34.49)	(10.32)	-	-
Benefits paid	(368.40)	(200.33)	(112.28)	(112.28)
Closing fair value of plan assets	3,112.56	2,705.99	3,282.26	3,169.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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32 The major categories of plan assets of the fair value of the total plan assets are as follows:

	Gratuity		Pension Plan	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Investments details:				
Investment with insurer / others	3,112.56	2,705.99	3,282.26	3,169.65
Total	3,112.56	2,705.99	3,282.26	3,169.65

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	Gratuity		Pension Plan	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Discount rate	6.75%	7.20%	6.50%	7.10%
Future salary increases	5.00%	5.00%	NA	NA
Attrition rate	5.00%	5.00%	NA	NA
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	NA	NA

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Gratuity plan:

	March 31, 2025		March 31, 2024	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Discount rate	(214.52)	251.57	(168.16)	196.64
Future salary increases	253.50	(219.76)	199.05	(172.94)
Attrition rate	1.40	(1.45)	7.43	(7.70)
Mortality rate	0.10	(0.11)	0.52	(0.52)

Pension:

	March 31, 2025		March 31, 2024	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Discount rate	(84.99)	97.78	(81.06)	93.18

The following payments are expected contributions to the defined benefit plan in future years:

	Gratuity		Pension	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Within the next 12 months (next annual reporting period)	564.29	413.10	191.37	189.34
Between 2 and 5 years	1,359.06	1,246.06	739.03	736.23
Beyond 5 years	6,823.78	7,422.90	3,065.05	3,208.11
Total expected payments	8,747.13	9,082.06	3,995.45	4,133.68

The average duration of the defined benefit plan obligation at the end of the reporting period for gratuity plan is 10.00 years (March 31, 2024: 10.00 years) and pension plan is 7.00 years (March 31, 2024: 7.00 years).

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for the year ended March 31, 2025

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33 Leases

A. Leases as lessee

The Group has taken various premises including offices, warehouses and other assets under lease for which lease period is 3-10 years and are renewable by mutual consent on agreed upon terms.

	March 31, 2025	March 31, 2024
Lease liabilities		
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	1,433.72	1,197.78
Later than one year and not later than five years	4,473.73	4,263.65
More than five years	2,314.07	3,390.38

The depreciation charge for right of use assets, interest expenses on lease liabilities, expenses relating to short term leases and low-value assets and current and non-current classification of lease liability are included in note 24, 23, 25 and 12 respectively. Cash flows on payment of lease liabilities including interest on lease liabilities are disclosed in the consolidated cash flow statement.

B. Leases as lessor

The Group leases out its investment property. All leases are classified as operating leases from a lessor perspective, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 3.3 sets out information about the operating leases of investment property.

Rental income recognised by the Group during the year ended March 31, 2025 was INR 18.62 lakhs (March 31, 2024: 4.46 lakhs).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	March 31, 2025	March 31, 2024
Less than one year	13.44	13.44
One to two years	13.44	13.44
Two to three years	13.44	13.44
Three to four years	10.08	13.44
Four to five years	-	10.08
More than five years	-	-
Total	50.40	63.84

34 Commitment and Contingencies

A) Contingent Liabilities

In respect of all the matters mentioned below, based on the legal advice obtained, the management is of the view that the claims are not tenable and the same can be successfully contested. Hence, no provision has been considered necessary in the consolidated financial statements.

	March 31, 2025	March 31, 2024
In respect of CENVAT and service tax matters	0.88	0.88
In respect of income tax matters	139.10	60.49
In respect of property tax matters	32.40	32.40
In respect of GST matters	-	17.89
In respect of labour law disputes	7.67	7.67
In respect of property matters	6.09	6.09

The uncertainties and possible reimbursement in respect of the above mentioned contingent liabilities are dependent on the outcome of various legal proceedings and therefore, cannot be predicted accurately.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in these financial statements. Management is of the view that above matters will not have material adverse effect on the Group's financial position.

B) Commitments

	March 31, 2025	March 31, 2024
a) Capital commitments in relation to purchase of property, plant and equipment not provided for	5,773.94	6,150.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

35 Related Party Transactions

35.1 List of related parties and nature of relationship

1) Where control exists

a) Ultimate holding company	ZF Friedrichshafen AG
b) Holding company	WABCO Asia Private Limited, Singapore
c) Associate of holding company	ZF International UK Limited, United kingdom
d) Wholly owned Subsidiary company	ZF CV Control Systems Manufacturing India Private Limited

2) Related parties with whom transactions have taken place during the year

Ultimate holding company

ZF Friedrichshafen AG

Holding company

WABCO Asia Private Limited, Singapore

Fellow Subsidiary companies

Changchun WABCO Vehicle Control System Co. Ltd
Guang Dong WABCO Fuwa Vehicle Brakes Co Limited
ZF CV Solutions (Thailand) Limited
WABCO Automotive South Africa
WABCO Compressor Manufacturing Co. USA
WABCO Holdings Inc., USA
WABCO IP Holdings LLC, USA
WABCO Korea Ltd, Korea
WABCO Middle East and Africa FZCO, Dubai
WABCO Radbremsen GmbH, Germany
WABCO USA LLC, USA (formerly Meritor WABCO Vehicle Control Systems, USA)
Wolong ZF Automotive Electric Motors Ltd
ZF (Shanghai) Management Co, Ltd
ZF Active Safety and Electronics US LLC, USA
ZF Active Safety GmbH
ZF Autocruise France SAS
ZF Automotive Brasil LTDA, Brazil
ZF Automotive Systems (Shanghai) Co Ltd., China
ZF Commercial Vehicle Systems (Jinan) Co., Ltd., China (formerly Shandong WABCO Automotive Products Co. Ltd, China)
ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China (formerly WABCO China Co. Ltd, China)
ZF CV Distribution Germany GmbH & Co. KG, Germany (formerly WABCO Vertriebs, GmbH & Co., Germany)
ZF CV Distribution UK Ltd.
ZF CV Logistics Germany GmbH, Germany (formerly WABCO Logistik GmbH, Germany)
ZF CV Solutions Japan, Inc., Japan (formerly known as WABCO Japan Inc., Japan)
ZF CV Systems Europe BV, Belgium (formerly WABCO Europe BVBA, Belgium)
ZF CV Systems Global GmbH, Switzerland (formerly WABCO Global GmbH, Switzerland)
ZF CV Systems Hannover GmbH, Germany (formerly WABCO GmbH, Germany)
ZF CV Systems North America LLC, USA (formerly known as WABCO North America LLC, USA)
ZF CV Systems Poland Sp. z o.o., Poland (formerly WABCO Polska Sp. z o.o. Poland)
ZF CVS Turkey Fren Sistemleri (formerly known as WABCO Arac Kontrol Sis.Des.Paz.Ltd.)
ZF Digital Solutions India Private Limited (formerly WABCO Digital Solutions Private Limited)
ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.
ZF Driveteck (Jiaxing) Co., Ltd
ZF Do Brasil LTDA, Brazil
ZF India Private Limited
ZF Light Vehicle Systems India Private Limited
ZF Commercial Vehicle Solutions India Private Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Others

Trichur Sundaram Santhanam & Family Private Limited (upto October 30, 2023)
TVS Automobile Solutions Private Limited (upto October 30, 2023)
TVS Mobility Private Limited (upto October 30, 2023)

Key Management Personnel

Mr. P Kaniappan - Managing Director
Mr. R S Raja Gopal Sastry - Chief Financial Officer (upto January 16, 2024)
Ms. Sweta Agarwal - Chief Financial Officer (from January 10, 2024)
Ms. M Muthulakshmi - Company Secretary
Dr. Christian Brenneke - Non-executive Director
Mr. Philippe Colpron - Non-executive Director
Mr. M Lakshminarayan - Chairman and independent Director (upto March 31, 2024)
Dr. Lakshmi Venu - Independent Director (upto October 30, 2023)
Mr. Mahesh Chhabria - Independent Director
Ms. Rashmi Urdhwaresh - Independent Director (from March 20, 2024)
Ms. Amrita Verma Chowdhury - Independent Director (from October 27, 2023)
Mr. Akash Passey - Chairman and Director (from May 22, 2024)
Mr. Neeraj Sagar - Independent Director (from May 22, 2024)

35.2 Related party transactions

Sl No	Nature of transactions	Name of the Company	Fellow subsidiaries/Others		Key management personnel	
			Year ended		Year ended	
			March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
1.a	Purchase of goods, net	Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	2.20	1.21	-	-
		ZF CV Solutions (Thailand) Limited	4.25	4.45	-	-
		WABCO Compressor Manufacturing Co. USA	40.79	106.96	-	-
		WABCO Korea Ltd, Korea	-	0.50	-	-
		WABCO USA LLC, USA	-	2.81	-	-
		ZF (Shanghai) Management Co, Ltd	179.23	298.95	-	-
		ZF Active Safety and Electronics US LLC, USA	0.78	1.76	-	-
		ZF Automotive Brasil LTDA, Brazil	87.35	469.09	-	-
		ZF Automotive Systems (Shanghai) Co Ltd., China	-	3.16	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	2,443.26	3,233.63	-	-
		ZF CV Distribution Germany GmbH & Co. KG, Germany	109.18	267.65	-	-
		ZF CV Systems Hannover GmbH, Germany	-	20.36	-	-
		ZF CV Systems Global GmbH, Switzerland	10,411.23	9,745.21	-	-
		ZF CV Systems North America LLC, USA	0.13	5.15	-	-
		ZF Digital Solutions India Private Limited	-	11.98	-	-
		ZF Friedrichshafen AG	3,052.87	694.40	-	-
		ZF Light Vehicle Systems India Private Limited	173.89	-	-	-
		ZF India Private Limited	223.54	248.43	-	-
		ZF CV Solutions Japan, Inc., Japan	-	9.23	-	-
		ZF CV Distribution UK Ltd.	-	12.43	-	-
		ZF Autocruise France SAS	-	1.61	-	-
		Wolong ZF Automotive Electric Motors Ltd	-	5.90	-	-
		WABCO Radbremesen GmbH, Germany	-	8.27	-	-
		ZF Rane Automotive India Private Limited	5.25	2.69	-	-
		ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.	2.22	-	-	-
		ZF Drivetech (Jiaxing) Co., Ltd	6.74	-	-	-
1.b	Purchase of Property, Plant and Equipment	ZF CV Systems Global GmbH, Switzerland	-	43.49	-	-

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

SI No	Nature of transactions	Name of the Company	Fellow subsidiaries/Others		Key management personnel	
			Year ended		Year ended	
			March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
2	Services received					
	Royalty	WABCO IP Holdings LLC, USA	207.66	199.85	-	-
	Royalty	ZF CV Systems Europe BV, Belgium	8,679.12	9,743.32	-	-
	Royalty	ZF CV Systems Global GmbH, Switzerland	140.46	-	-	-
	Information Technology Support Services	ZF Friedrichshafen AG	3,469.47	2,469.01	-	-
	Research and Development	ZF Active Safety GmbH	-	405.06	-	-
		ZF Friedrichshafen AG	0.74	-	-	-
	Rent	ZF India Private Limited	30.99	78.78	-	-
	Professional fees	ZF Friedrichshafen AG	8.51	12.20	-	-
	Professional and other fees	ZF India Private Limited	533.92	-	-	-
3	Sale of products, net	Changchun WABCO Vehicle Control System Co. Ltd	78.24	147.93	-	-
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	7.05	152.53	-	-
		Trichur Sundaram Santhanam & Family Private Limited	-	1,372.94	-	-
		TVS Automobile Solutions Private Limited	-	170.18	-	-
		TVS Mobility Private Limited	-	458.34	-	-
		ZF CV Solutions (Thailand) Limited	352.28	456.47	-	-
		WABCO Asia Private Limited, Singapore	369.83	434.42	-	-
		WABCO Automotive South Africa	-	1.48	-	-
		WABCO Compressor Manufacturing Co. USA	32.66	2,114.15	-	-
		WABCO Korea Ltd, Korea	186.00	244.99	-	-
		WABCO Middle East and Africa FZCO, Dubai	865.34	587.97	-	-
		WABCO USA LLC, USA	18.24	11,604.41	-	-
		ZF (Shanghai) Management Co, Ltd	36.69	58.22	-	-
		ZF Automotive Brasil LTDA, Brazil	1,850.88	1,075.34	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	1,007.06	790.65	-	-
		ZF CV Logistics Germany GmbH, Germany	-	-	-	-
		ZF CV Solutions Japan, Inc., Japan	2,188.81	1,712.91	-	-
		ZF CV Systems Europe BV, Belgium	529.70	581.46	-	-
		ZF CV Systems Global GmbH, Switzerland	87,619.98	55,016.77	-	-
		ZF CV Systems Hannover GmbH, Germany	-	4.20	-	-
		ZF CV Systems North America LLC, USA	30.21	5,054.87	-	-
		ZF CV Systems Poland Sp. z o.o., Poland	0.02	7.22	-	-
		ZF CVS Turkey Fren Sistemleri	35.24	27.78	-	-
		ZF Do Brasil LTDA, Brazil	-	608.90	-	-
		ZF India Private Limited	5.16	17.50	-	-
		WABCO Radbremesen GmbH, Germany	0.16	-	-	-
4	Rendering of Services					
	Business Support Services	ZF CV Systems Global GmbH, Switzerland	6,385.24	5,890.05	-	-
	Business Support Services	ZF Digital Solutions India Private Limited	132.61	83.88	-	-
	Business Support Services	ZF India Private Limited	49.74	24.01	-	-
	Research and development services	ZF CV Systems Global GmbH, Switzerland	4,816.58	4,487.99	-	-
	Software services	ZF CV Systems Global GmbH, Switzerland	28,610.79	23,932.12	-	-
	Other services	ZF CV Solutions (Thailand) Limited	8.30	-	-	-

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Sl No	Nature of transactions	Name of the Company	Fellow subsidiaries/Others		Key management personnel	
			Year ended		Year ended	
			March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
5	Other income					
	Rent	ZF Light Vehicle Systems India Private Limited	13.39	4.46	-	-
	Rent	ZF Commercial Vehicle Solutions India Private Limited	5.24	-	-	-
6	Receivables / (Advances received)	Changchun WABCO Vehicle Control System Co. Ltd	-	63.16	-	-
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	7.01	119.69	-	-
		ZF CV Solutions (Thailand) Limited	29.41	63.00	-	-
		WABCO Asia Private Limited, Singapore	14.22	15.85	-	-
		WABCO Compressor Manufacturing Co. USA	20.89	30.60	-	-
		WABCO Holdings Inc., USA	24.92	23.59	-	-
		WABCO Korea Ltd, Korea	82.67	42.01	-	-
		WABCO Middle East and Africa FZCO, Dubai	155.78	22.94	-	-
		WABCO USA LLC, USA	265.32	500.32	-	-
		ZF (Shanghai) Management Co, Ltd	82.00	88.46	-	-
		ZF Automotive Brasil LTDA, Brazil	236.39	406.13	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	826.85	659.29	-	-
		ZF CV Solutions Japan, Inc., Japan	347.02	307.88	-	-
		ZF CV Systems Europe BV, Belgium	229.67	152.03	-	-
		ZF CV Systems Global GmbH, Switzerland	43,687.05	31,485.48	-	-
		ZF CV Systems Hannover GmbH, Germany	-	29.47	-	-
		ZF CV Systems North America LLC, USA	70.71	94.15	-	-
		ZF CV Systems Poland Sp. z o.o., Poland	2.32	5.13	-	-
		ZF CVS Turkey Fren Sistemleri	20.44	5.36	-	-
		ZF Digital Solutions India Private Limited	12.66	7.23	-	-
		ZF Light Vehicle Systems India Private Limited	5.11	4.46	-	-
		ZF Do Brasil LTDA, Brazil	-	242.52	-	-
		ZF Friedrichshafen AG	-	188.25	-	-
		ZF Commercial Vehicle Solutions India Private Limited	3.21	-	-	-
		ZF India Private Limited	69.90	29.51	-	-
7	Payables / (Advances paid)	ZF CV Solutions (Thailand) Limited	1.04	5.75	-	-
		WABCO Compressor Manufacturing Co. USA	51.88	103.48	-	-
		WABCO IP Holdings LLC, USA	103.17	584.44	-	-
		WABCO Korea Ltd, Korea	-	1.00	-	-
		WABCO Radbremsen GmbH, Germany	(0.17)	(0.17)	-	-
		WABCO USA LLC, USA	-	43.60	-	-
		Wolong ZF Automotive Electric Motors Ltd	-	5.95	-	-
		ZF CV Systems Poland Sp. z o.o., Poland	(12.91)	(12.91)	-	-
		ZF (Shanghai) Management Co, Ltd	90.16	-	-	-
		ZF Commercial Vehicle Systems (Jinan) Co., Ltd., China	11.86	18.65	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	981.88	826.19	-	-
		ZF CV Distribution Germany GmbH & Co. KG, Germany	106.33	50.10	-	-
		ZF CV Systems Europe BV, Belgium	827.92	4,511.37	-	-
		ZF CV Systems Global GmbH, Switzerland	1,411.72	2,522.06	-	-
		ZF CV Systems North America LLC, USA	2.94	68.51	-	-
		ZF Active Safety and Electronics US LLC, USA	4.42	-	-	-
		ZF Autocruise France SAS	1.61	1.64	-	-

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Sl No	Nature of transactions	Name of the Company	Fellow subsidiaries/Others		Key management personnel	
			Year ended		Year ended	
			March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
		ZF Active Safety GmbH	-	404.06	-	-
		ZF Automotive Brasil LTDA, Brazil	68.53	-	-	-
		ZF Automotive Systems (Shanghai) Co Ltd., China	0.48	0.48	-	-
		ZF CV Distribution UK Ltd.	12.43	19.16	-	-
		ZF Friedrichshafen AG	3,174.35	1,632.38	-	-
		ZF India Private Limited	218.76	127.97	-	-
		ZF Light Vehicle Systems India Private Limited	192.42	-	-	-
		ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.	2.22	-	-	-
		ZF Drivtech (Jiaxing) Co., Ltd	6.74	-	-	-
8	Remuneration to Key managerial personnel (including commission to independent directors)	Salaries and Allowances	-	-	373.60	455.50
		Contribution to provident and other funds	-	-	27.83	30.50
		Incentive	-	-	183.22	434.81
		Commission and sitting fees	-	-	120.20	79.00
9	Reimbursement of expenses paid / (received)	ZF CV Systems Hannover GmbH, Germany	-	(29.42)	-	-
		WABCO Holdings Inc., USA	(25.38)	(23.58)	-	-
		ZF CV Solutions (Thailand) Limited	(8.30)	(7.40)	-	-

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

36 Segment information

The Group primarily operates in the automotive segment. The automotive segment includes all activities related to development, design and manufacture of products. The board of directors of the Group, which has been identified as being the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirement of Ind AS 108 "Operating Segments".

The following are the information relating to geographical segment:

Year ended March 31, 2025

	India	Others	Total
Sale of Products	2,17,508.90	1,16,521.80	3,34,030.70
Sale/rendering of services	5,440.49	39,898.16	45,338.65
Others	3,726.90	-	3,726.90
Revenue from operations	2,26,676.29	1,56,419.96	3,83,096.25
Non-current assets*	83,936.76	-	83,936.76

Year ended March 31, 2024

	India	Others	Total
Sale of Products	2,31,878.06	1,08,784.17	3,40,662.23
Sale/rendering of services	3,362.39	34,418.05	37,780.44
Others	3,122.07	-	3,122.07
Revenue from operations	2,38,362.52	1,43,202.22	3,81,564.74
Non-current assets*	79,584.73	-	79,584.73

*Non-current assets for this purpose consists of property, plant and equipment, right of use assets, intangible assets, capital work in progress, investment property and other non current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Information about major customer

Revenue from major customers contributing more than 10% of sale of products amounted to INR 198,111.08 lakhs (March 31, 2024: INR 170,660.77 lakhs), arising from sales of products and rendering of services.

37 Fair value

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2025:

Particulars	Fair Value Measurement using			
	Total	Level 1	Level 2	Level 3
Asset measured at fair value:				
FVTPL financial investments:				
Unquoted Mutual Funds	2,856.03	2,856.03	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2024:

Particulars	Fair Value Measurement using			
	Total	Level 1	Level 2	Level 3
Asset measured at fair value:				
FVTPL financial investments:				
Unquoted Mutual Funds	2,328.66	2,328.66	-	-

There have been no transfers between Level 1 and Level 2 during the year.

All other financial liabilities & assets are carried at amortised cost and their carrying value approximates fair value.

38 Financial risk management objectives and policies

The Group's principal financial liabilities, include trade and other payables. The Group has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations. The Group also holds FVTPL investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans, deposits and FVTPL investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's investments are primarily in fixed rate interest bearing investments. Also, the Group has no borrowings and hence not exposed to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The majority of the Group's revenue and expenses are in Indian Rupees, with the remainder denominated in US Dollars and EURO. The following table demonstrates the sensitivity to 5% change in USD and EURO exchange rates on foreign currency exposures as at the year end, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	March 31, 2025		March 31, 2024	
	5% increase	5% decrease	5% increase	5% decrease
Impact of change in USD rates				
Trade receivables	113.37	(113.37)	134.80	(134.80)
Payables	48.88	(48.88)	113.13	(113.13)
Cash and cash equivalents	14.31	(14.31)	21.04	(21.04)
Impact of change in EURO rates				
Trade receivables	2,220.25	(2,220.25)	1,624.76	(1,624.76)
Payables	225.06	(225.06)	330.68	(330.68)
Cash and cash equivalents	267.30	(267.30)	124.16	(124.16)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans and advances. None of the financial instruments of the Group result in material concentrations of credit risks. Exposure to credit risk - The carrying amount of financial assets represents the maximum Credit exposure. The maximum exposure to Credit risk was INR 263,624.45 lakhs as at March 31, 2025 and INR 227,599.42 lakhs as at March 31, 2024, being the total of the carrying amount of balances with banks, deposits with banks, trade receivables and other financial assets. As at March 31, 2025, 80% of the total dues was receivable from top 10 customers (as at March 31, 2024 - 80%). These receivables are from customers whose credit rating is above the average. Credit risk from balances with banks and investment of surplus funds in mutual funds is managed by the Group's treasury department. The objective is to minimise the concentration of risks by investing in safer investments of high pedigree.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure funds are available for use as per requirements. The Group's prime source of liquidity is cash and cash equivalents and the cash generated from operations. The Group has no outstanding bank borrowings. The Group invests its surplus funds in bank, fixed deposit and mutual funds, which carry minimal mark to market risks. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Contractual cashflows					
	Carrying amount	Less than 1 year	1 to 2 Years	2 to 5 Years	> 5 years	Total
As at March 31, 2025						
Trade payables	35,121.25	35,121.25	-	-	-	35,121.25
Lease liabilities	6,608.32	1,433.72	1,054.15	3,419.58	2,314.07	8,221.52
Other financial liabilities	5,180.98	5,180.98	-	-	-	5,180.98
	46,910.55	41,735.95	1,054.15	3,419.58	2,314.07	48,523.75
As at March 31, 2024						
Trade payables	38,291.63	38,291.63	-	-	-	38,291.63
Lease liabilities	6,843.64	1,197.78	1,315.49	2,948.16	3,390.38	8,851.81
Other financial liabilities	4,477.39	4,477.39	-	-	-	4,477.39
	49,612.66	43,966.80	1,315.49	2,948.16	3,390.38	51,620.83

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

39 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

	March 31, 2025	March 31, 2024
Trade payables	35,121.25	38,291.63
Other payables	21,943.62	20,839.26
Less: Cash and cash equivalents and current investments	(15,815.85)	(13,774.45)
Net debt	41,249.02	45,356.44
Shareholders Equity	3,21,454.04	2,79,031.75
Gearing ratio	0.13	0.16

40 Other Statutory Information

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- The Group has not traded or invested in Crypto currency or virtual currency during the financial year.
- The Group has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ('intermediaries') with the understanding (whether recorded in writing or otherwise) that the intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ('Ultimate Beneficiaries') or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Group has not received any fund from any person(s) or entity(ies), including foreign entities ('Funding Party') with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Group has no transactions with struck off companies during the year.
- The Group has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year
- The Group has not taken borrowings from banks and financial institutions on the basis of security of current assets.

41 Group Information

Name of the Entity	Principal activities	Country of incorporation	Ownership interest held by the Group	Ownership interest held by non-controlling interests
Subsidiary company				
ZF CV Control Systems Manufacturing India Private Limited	Manufacturing of automobile components	India	100%	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

b) Additional information as required by paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Division II of Schedule III to the Companies Act, 2013

Name of the Entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated assets	Amount	As a % of consolidated profit or (loss)	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent company								
ZF Commercial Vehicle Control Systems India Limited								
Balance as at March 31, 2025	99.88%	3,21,080.31	99.55%	45,865.82	100.00%	(426.22)	99.55%	45,439.60
Balance as at March 31, 2024	99.94%	2,78,865.20	99.59%	40,477.94	100.00%	(58.63)	99.59%	40,419.31
Subsidiary company								
ZF CV Control Systems Manufacturing India Private Limited								
Balance as at March 31, 2025	0.15%	476.72	0.45%	208.19	0.00%	-	0.46%	208.19
Balance as at March 31, 2024	0.10%	268.53	0.41%	166.93	0.00%	-	0.41%	166.93
Less: Effect of intercompany eliminations / adjustments								
Balance as at March 31, 2025	(0.03%)	(102.99)	0.00%	(1.01)	0.00%	-	0.00%	(1.01)
Balance as at March 31, 2024	(0.04%)	(101.98)	0.00%	(0.22)	0.00%	-	0.00%	(0.22)
Total								
Balance as at March 31, 2025	100.00%	3,21,454.04	100.00%	46,073.00	100.00%	(426.22)	100.00%	45,646.78
Balance as at March 31, 2024	100.00%	2,79,031.75	100.00%	40,644.65	100.00%	(58.63)	100.00%	40,586.02

42 Events after the reporting period

The Board of the Holding Company has proposed a final dividend of 380% (INR 19 per share of the face value of INR 5 each) for the year 2024-25 subject to the approval of the members at the ensuing Annual General Meeting.

Material accounting policies (note 2.2)

**For and on behalf of the Board of Directors of
ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED**

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration no. 101248W/W-100022

Akash Passey
Chairman and Director
DIN: 01198068

P Kaniappan
Managing Director
DIN: 02696192

M. Muthulakshmi
Company Secretary

Sweta Agarwal
Chief Financial Officer

K Sudhakar
Partner
Membership no.: 214150
Place: Chennai
Date: May 15, 2025

Place: Chennai
Date: May 15, 2025

GRI INDEX

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GLOSSARY OF ABBREVIATIONS

Abbreviation Full Form

ACE	Autonomous, Connected and Electric
ACMA	Automotive Component Manufacturers Association of India
AHU	Air Handling Unit
AL	Ashok Leyland
AQMS	Air Quality Monitoring System
BRSR	Business Responsibility and Sustainability Report
CAPEX	Capital Expenditure
CDP	Carbon Disclosure Project
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CNC	Computer Numerical Controlled
CSR	Corporate Social Responsibility
CVS	Commercial Vehicle Solution
DBK	Duty Drawback Scheme
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EHS	Environment, Health and Safety
ERM	Enterprise Risk Management
ESG	Environment, Social, Governance
ETP	Effluent Treatment Plant
FCPA	Foreign Corrupt Practices Act
FY	Financial Year
GBS	Global Business Services
GHG	Green House Gases
GRI	Global Reporting Initiative
HO	Head Quarters
HR	Human Resources
HVAC	Heating, Ventilation, and Air Conditioning
IATF	International Automotive Task Force
IIT	Indian Institute Technology
ILO	International Labor Organization
INR	Indian Rupee
IR	Industrial Relations
ISO	International Organization for Standardization
IT	Information Technology
KG	Kilo Grams
KL	Kilo Litre
KMP	Key Management Personnel
KPI	Key Performance Indicators
LEED	Leadership in Energy and Environmental Design
LOTO	Lock Out/Tag Out
LPG	Liquefied Petroleum Gas
MD	Managing Director
MJ	Mega Joule
MSME	Micro, Small and Medium Enterprises

Abbreviation Full Form

MW	Mega Watts
NGRBC	National Guidelines on Responsible Business Conduct
NOx	Nitric Oxide
OEM	Original Equipment Manufacturer
OHSAS	Occupational Health and Safety Assessment Specification
PAT	Profit After Tax
PPA	Power Purchase Agreements
PwD	People with Disabilities
QC	Quality Control
QCFI	Quality Circle Forum of India
R&D	Research & Development
RO	Reverse Osmosis
RoDTEP	Remission of Duties and Taxes on Exported Products
SBTi	Science Based Targets Initiative
SDG	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
SHE FMEA	Safety, Health & Environment Failure Mode and Effect Analysis
SKU	Stock Keeping Unit
Sox BDL	Sulphur Oxide
SPC	Statistical Process Control
TaaS	Transport as a Service
TCFD	Taskforce on Climate-Related Financial Disclosures
TCP	Transmission Control Protocol
TQM	Total Quality Management
V2X	Vehicle to Everything
VECV	VE Commercial Vehicles Limited
VFD	Variable Frequency Drive
WABCO	Westinghouse Air Brake Company
ZF CVCS	ZF Commercial Vehicle Control Systems
ZLD	Zero Liquid Discharge

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