

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



SAFE SUSTAINABLE INTELLIGENT

ZF Commercial Vehicle Control Systems India Limited
Integrated Annual Report
FY 2025-26



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ABOUT THE REPORT

Reporting Journey

Our reporting journey reflects the progress that ZF Commercial Vehicle Control Systems India Limited (hereinafter referred to as 'the Company' or 'ZF CVCS') engineers with a purposeful, transparent and forward-looking approach. Each year, the Company brings together the milestones, measures and moments that define our growth, presenting them through a transparent, integrated lens.

This report captures how the Company is shaping a future where technology meets responsibility, where every innovation strengthens its commitments, every decision supports long-term value, and every solution advances progress for its stakeholders. It is a way of showing not just where the Company is, but where it is headed.

This year's theme "Safe, Sustainable and Intelligent" captures the essence of the Company's purpose. It reflects commitment to engineering solutions that protect lives, preserve the planet and unlock the power of intelligent technologies driving meaningful progress for the stakeholders and the world of mobility.

Reporting Period

The Report details financial and sustainability disclosures for the period beginning April 1, 2025, and ending on March 31, 2026. The Company reports its sustainability performance on an annual basis.



Reporting Boundary

The disclosures pertain to the consolidated operations of the Company, our manufacturing facilities, Chennai (Ambattur, Mahindra World City and Oragadam) Jamshedpur, Pantnagar and Lucknow, bringing together the financial, operational, social and environmental performance.

Where relevant, the Company extends disclosures across the value chain to reflect the full picture of how the Company creates lasting value.

Guiding Standards

This Integrated Report is guided by globally recognized frameworks that anchor the disclosures in transparency, credibility and comparability. This report has been prepared in alignment with the International Integrated Reporting Council (IIRC) Framework and United Nations Sustainable

Development Goals (UN SDGs), reflecting the integrated thinking across the six capitals of value creation. It also draws upon the Global Reporting Initiative (GRI) Standards, ensuring a comprehensive view of the economic, environmental, social and governance performance. In addition, the report aligns with the Business Responsibility and Sustainability Report (BRSR) framework as mandated by SEBI and adheres to the nine principles of the Ministry of Corporate Affairs' National Guidelines on Responsible Business Conduct (NGRBC), reinforcing commitment to credible and verifiable sustainability disclosures.

External Assurance

The financial statements in this Report have been audited by B S R & Co. LLP. The non-financial sustainability disclosures presented for FY 2025-26

have undergone reasonable external assurance by SGS India Private Limited for BRSR Core indicators, in accordance with internationally accepted assurance standards - ISAE 3410 for GHG related KPIs and ISAE 3000 (revised) for non-financial KPIs. The detailed assurance statement is available on Page 189.

Responsibility Statement

The 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

sustainability performance for the reporting period.

Forward-Looking Statement

The report includes certain forward-looking statements relating to the Company's future operations, strategies, and performance across financial, environmental, social and

governance dimensions. These statements, identified by terms such as expects, intends, believes, estimates, may, will, outlook and other words with comparable meanings are based on current assumptions and projections. Actual outcomes may differ materially due to risks, uncertainties and external factors beyond our control.



Safe



Sustainable



Intelligent

MESSAGE FROM THE MANAGING DIRECTOR



The year was marked by strong financial performance, operational resilience and continued progress in strengthening our position as a technology leader in the commercial vehicle industry



Dear Stakeholders,

I am pleased to present ZF Commercial Vehicle Control Systems India Limited's (ZF CVCS) Integrated Annual Report for FY 2025-26. The year was marked by strong financial performance, operational resilience and continued progress in strengthening our position as a technology leader in the commercial vehicle industry.

This progress is underpinned by the continued maturation of India's economic ecosystem. Structural reforms such as the Goods and Services Tax (GST) have significantly improved supply chain efficiencies, enhanced logistics integration and supported formalisation across sectors, contributing to a more efficient and resilient operating environment for the automotive industry.

As your Company's Managing Director, the year under review has been deeply engaging and enriching. I have had the opportunity to interact extensively across all our manufacturing plants, engineering centres, customer facilities and offices across India. These interactions have provided valuable first-hand insights into the strengths that define our Company. The culture of quality, collaboration and commitment demonstrated by teams and

world-class engineering and validation capabilities, including our advanced test track infrastructure, positions us strongly with our customers.

The regulatory requirements and environmental norms for the automotive industry in India are evolving, with a heightened focus on enhancing road safety and mitigating risks arising from challenging operating conditions.

In the commercial vehicle segment, the phased implementation of advanced safety and environmental norms is gaining momentum. Regulations mandating Electronic Stability Control (ESC), Advanced Emergency Braking Systems (AEBS), Corporate Average Fuel Efficiency (CAFE) norms, Bharat Stage emission standards and a suite of five advanced driver assistance features mandated by regulation are being introduced, marking a significant step up in safety standards.

At the same time, the electric mobility ecosystem in India is entering an accelerated growth phase. The EV bus and commercial vehicle market is poised for exponential expansion, driven largely by government-led initiatives, policy incentives and institutional procurement programmes, including State Transport

Undertaking (STU) tenders, alongside ongoing infrastructure development. These structural shifts align closely with our capabilities in e-compressors, advanced braking systems and integrated vehicle control technologies.

ZF CVCS is well positioned to lead this transition. Our diverse portfolio of advanced braking and vehicle control systems, combined with robust R&D capabilities, enables the design, development and industrialisation of commercial vehicle solutions aligned with these evolving requirements. This capability is further strengthened by a strong engineering base of over 1,000 engineers contributing to global programmes while also addressing India-specific needs, enabling the delivery of innovative, cost-efficient and regulation-ready solutions.

A key differentiator for our Company is the dedicated ESC test track in Chennai. This facility enables end-to-end ESC solutions - from application engineering and pre-homologation support to validation; enabling streamlined implementation and accelerating regulatory readiness.

The Company maintains a sustained focus on innovation, aligned with the

broader shift towards software-defined vehicles, advanced safety systems and connected platforms, where integration of hardware, electronics and software will play a defining role in shaping future mobility solutions.

During the year, the Company further strengthened its market position by sharpening aftermarket execution through focused merchandising and a category-led approach. A key milestone was the launch of Spare Parts Aftermarket Reforms Kick-off (SPARK) programme, aimed at enhancing portfolio depth and market responsiveness. As part of this initiative, nine high-potential merchandise product categories have been identified and two products have been launched successfully.

In parallel, the future-ready portfolio is enhanced with the launch of eight new products and an accelerated ramp-up across five key product lines. These included new variants of the Exhaust Brake Valve, an Optimised Power Reduction (OPR) compressor with power optimisation features and advanced systems such as Electronic Braking System (EBS) and Electronically Controlled Air Suspension (ECAS) for electric buses.

Hydraulic and pneumatic ESC systems were scaled up, e-compressor supplies for the domestic market were expanded and the global footprint was strengthened through higher-capacity compressor exports to Europe. The new actuator variants for trailer platforms have reinforced the Company's position as a trusted technology partner.

Navigating Challenges, Driving Growth

The year was governed by a complex global environment, shaped by geopolitical disruptions, supply chain constraints and rising costs of key commodities like aluminium, gas, chips and semiconductor components.

To address these concerns, the Company implemented proactive measures across its operations, including establishing a global coordination mechanism, enhancing capacity across the value chain and deploying structured value analysis and value engineering (VAVE) initiatives. The Company also worked

closely with OE customers on pricing actions and deployed targeted strategies to manage supply constraints. This disciplined approach enabled the Company to cross the milestone of INR 500 Crores in Profit After Tax (PAT), alongside the highest-ever recorded revenue of INR 4,118.94 Crores.

Driving Efficiency and Sustainability

Sustainability remains central to the Company's strategy. We are progressing toward 100% renewable energy by expanding rooftop solar installations across our sites and phasing out fossil fuel-based applications. Notably, all canteen operations have transitioned to 100% electric induction systems. As part of our journey toward becoming water positive, the Company has commissioned a 1,200 KL rainwater harvesting pond at the Jamshedpur facility and implemented Zero Liquid Discharge (ZLD) systems across plants, strengthening water security and overall environmental performance.

Our decarbonisation strategy is anchored in achieving climate neutrality by 2040, supported by clear interim milestones. Progress towards reducing Scope 1 and Scope 2 CO₂ emissions by 80% by 2030 is being driven through green energy adoption, electrification of processes and efficiency improvements.

As industries shift towards lower-emission technologies, the Company is aligning its diverse product portfolio and operations to meet evolving expectations and regulatory requirements.

People, Safety and Shared Progress

The Company places its employees at the centre of its progress and continues to invest in capability development through structured training and skill enhancement programmes to build a future-ready workforce. A key initiative in this direction is the DOJO 2.0 training centre, which provides a simulation-based learning environment for both blue-collar and white-collar employees. By enabling experiential learning across safety, quality and operations, it is strengthening workforce readiness, enhancing problem-solving capabilities and fostering a culture of

continuous improvement aligned with manufacturing excellence.

I am proud to state that safety remains a core priority and a foundational pillar of operational excellence. During the year, the Company recorded zero fatalities arising from work-related incidents on the shop floor and worked towards continued improvement in key safety metrics, including a reduction in Lost Time Injury Frequency Rate. This strong performance reinforces disciplined shopfloor practices and contributes directly to building a resilient and world-class manufacturing ecosystem.

The Company's CSR initiatives remain impactful, driven by focused interventions across road safety, community development, environmental sustainability and skilling. During the year, these initiatives reached over 3 Lakh beneficiaries across 16 states, driving inclusive and meaningful impact.

End Note

As we look to the future, the commercial vehicle industry is entering a defining phase, where safety, sustainability, electrification and digitalisation are fundamentally reshaping the ecosystem. These shifts will create new opportunities for innovation, collaboration and value creation across the mobility landscape.

At ZF CVCS, we are well positioned to capitalise on these opportunities. Backed by a strong technology portfolio, deep engineering capabilities, resilient operations, and a committed workforce, the Company is prepared to navigate the evolving landscape with confidence.

We enter FY 2026-27 with a clear strategic direction and a continued focus on execution excellence, innovation, and customer-centricity. Building on strong economic momentum, we remain confident in our ability to deliver sustained, profitable growth and long-term value for all stakeholders.

Warm regards,

Mr. Paramjit Singh Chadha

Managing Director

BOARD OF DIRECTORS

Inspiring Leadership Team

The Company is led by the Board of Directors, whose diversity in skills, knowledge, experience, background, and gender reflects the Company's core values and strengthens its governance framework. Their collective experience strengthens strategic oversight, supports informed decision-making and ensures responsible and effective governance. The Board sets the tone at the top by fostering a culture rooted in inclusivity, integrity, and ethical conduct, ensuring that diverse perspectives are considered and stakeholder interests are upheld in pursuit of long-term value creation.



Mr. Akash Passey

Chairman of the Board,
Non-Executive Non-Independent Director



Mr. Paramjit Singh Chadha

Managing Director



Mr. Ivan Brajdic

Non-Executive Non-Independent Director
(Appointed w.e.f. November 05, 2025)



Dr. Lars Orlik

Non-Executive Non-Independent Director
(Resigned w.e.f April 30, 2026)



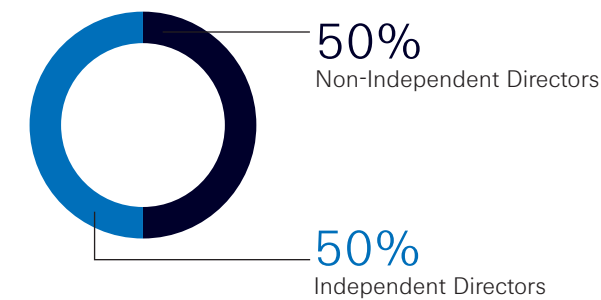
Ms. Claudia Christina Jehle

Non-Executive Non-Independent Director
(Appointed w.e.f May 04, 2026)

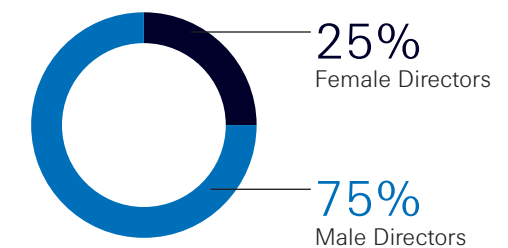


Board Diversity Snapshot (FY 2025-26)

Independence



Gender



Mr. Mahesh Chhabria

Non-Executive Independent Director



Ms. Rashmi Urdhwareshe

Non-Executive Independent Director



Mr. Neeraj Sagar

Non-Executive Independent Director



Ms. Amrita Verma Chowdhury

Non-Executive Independent Director



Stakeholders
Relationship Committee

Risk Management
Committee

C Chairperson

M Member

Audit
Committee

Corporate Social
Responsibility Committee

Nomination &
Remuneration Committee

CORPORATE GOVERNANCE

Corporate Governance is not just a compliance requirement for us, it is the cornerstone of our identity and the foundation of our long-term success. The Company is committed to the highest standards of transparency, accountability, and ethical conduct, ensuring that every decision reflects integrity and responsibility toward our stakeholders.

Our governance framework is designed to foster trust, safeguard shareholder interests, and uphold the principles of fairness and

sustainability. Aligned with internationally recognized frameworks, our corporate governance practices reflect the principles of GRI and SDGs, reinforcing our commitment to sustainability, transparency, and responsible growth. By embedding robust policies, clear accountability structures, and effective risk management practices, the Company ensures that our operations remain resilient and well positioned for long-term success.



Governance Highlights and Features

90%
average attendance at
Board Meetings

Conducted "Leadership
Orientation Program on
Corporate Governance
and Risk Management" for
the Board

Elevating Investor
relations through Live
Technology showcases

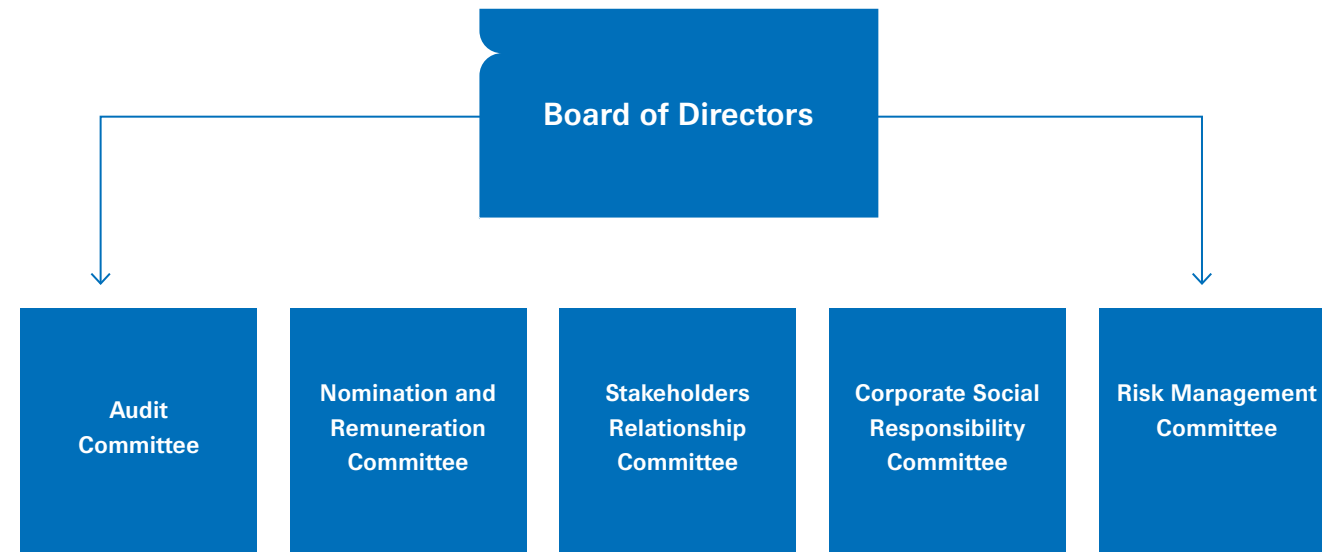
100% commitment to
Governance excellence

Empowering Employees
with Ongoing
Regulatory Upskilling

A Board enriched by
multidisciplinary expertise
spanning Finance, Technology,
People Management, and
Corporate Governance

Governance Framework

At ZF CVCS, our governance framework is designed to ensure that the organization operates with the highest standards of integrity and efficiency. This framework is rooted in transparency, accountability, and inclusivity, aligning with our strategic vision and corporate values. To uphold these principles, the Company has formalized various committees that play crucial roles in maintaining organizational success and resilience.



Key Focus Areas of the Board

The Board plays a crucial role in guiding the organization towards long-term achievement, ensuring clear strategic direction, robust governance, and a vibrant organizational culture. Its primary focus areas include:



Our Robust Policies

The Company is guided by a strong, Board approved policy framework that underpins responsible, transparent, and ethical governance. These policies set clear standards for

decision-making and conduct across the organization and support effective risk management, integrity, and accountability. Together, they reflect our commitment to ethical practices,

sound governance, and sustainable growth, and are embedded into day-to-day operations.

1 Code of Business Conduct and Ethics	2 Board Diversity Policy	3 Corporate Social Responsibility Policy
4 Related Party Transaction Policy	5 Nomination and Remuneration Policy	6 Whistleblower Policy
7 Policy for Prohibition of Insider Trading	8 Policy for Determination of Materiality for Disclosure of Events or Information	9 Dividend Distribution Policy
10 Corporate Governance Policy	11 Policy on Familiarization of Independent Directors and Other Programs	12 Policy for Determining Material Subsidiaries
13 Risk Management Policy	14 Policy for Preservation and Archival of Documents	15 Policy on Board Evaluation
16 Policy on Succession Planning	17 Code of Practices and Procedures for fair Disclosure of UPSI	18 Policy on Prevention of Sexual Harassment at Workplace

FY 2025-26 AT A GLANCE

FY 2025-26 at a Glance

Moving Ahead with Intent and Impact



Financial Impact (Consolidated Figures)

INR 4,118.94 Crores Revenue	INR 830.26 Crores EBITDA	20.16% EBITDA as % of sales
INR 517.15 Crores PAT	INR 3,690.58 Crores Shareholder Funds	272.65 EPS



Responsible Conduct

25% Female Directors in the Board	50% Independent Directors in the Board	0 Unresolved POSH cases
0 Ethical compliance related fines, penalties, and enforcement actions identified	0 Labor compliance non-conformities identified	



Social Commitment

100+ Volunteers participated in CSR initiative	36.54% Direct sourcing from MSMEs, powering local enterprise trainings	78.65% Sourcing from within India
322 National Apprenticeship Promotion Scheme (NAPS) Trainees	3 Lakh + Beneficiaries from CSR Initiatives	



Safe

100% Sites Certified to ISO 45001	0 Fatalities Reported
0 Lost Time Injury Frequency Rate for employees	0.28 Lost Time Injury Frequency Rate for workers, reflecting over 50 percent drop from previous year



Sustainable

100% Sites Certified to ISO 14001	500+ Saplings planted	80% Renewable Electricity Share
99.99%* Waste Recovery Achieved	0 Liquid Water Discharge	25.50% Decrease in Scope 1 + Scope 2 from previous year

*Including waste stock according to the Company's commitment



Intelligent

1 New Site Certified to TISAX	8 New Product Released	120 New Variants Launched
0 Cases of data breach reported	3 Energy Saving Projects Introduced	



ABOUT THE COMPANY

POWERING MOBILITY WITH SAFETY, SUSTAINABILITY AND INTELLIGENCE

ZF CVCS is a leading player in the commercial vehicle industry, recognized as a trusted partner for advanced braking systems, air-assisted technologies, and connected mobility solutions. The Company is committed to enabling safer, more efficient, and sustainable transportation, with a strong focus on innovation across the Autonomous, Connected, and Electric (ACE) domains.

The solutions are designed to enhance vehicle safety, improve operational efficiency, and meet the evolving needs of Original Equipment Manufacturers (OEMs) and fleet operators, while contributing to reduced environmental impact and responsible mobility.

Headquartered in Chennai, Tamil Nadu, the Company operates six manufacturing facilities, supported by a technology development center, a vehicle testing facility, and a robust nationwide aftermarket distribution and service network. With a workforce of approximately 3364 employees and workers along with a total revenue (consolidated) of INR 4,118.94 Crores in FY 2025-26, the Company reflects strong operational scale and market leadership in India.

Driven by a commitment to innovation, reliability, and sustainability, the Company continues to advance technologies that support accident-free driving and a cleaner future of mobility.



Who we are?

Market leader in advanced and conventional braking systems, along with air-assisted technologies for commercial vehicles in India.

What we offer?

Guided by the Company's vision of accident free driving and sustainable transportation, it delivers industry leading solutions across the Autonomous, Connected, and Electric domains driving safety, innovation, and environmental responsibility.

Where we operate?

Headquartered in Chennai, Tamil Nadu, the Company operates six top-tier manufacturing facilities across Ambattur, Mahindra City, Oragadam, Jamshedpur, Lucknow, and Pantnagar complemented by a technology development center, a world-class vehicle testing facility, and a nationwide aftermarket network. The Global Engineering Centers drive innovation in advanced mobility and digitalization, blending global expertise with local agility.

What we do?

The Company designs and manufactures advanced braking systems and air-assisted technologies for the commercial vehicle industry.

Sustaining the future

The Company is committed to building a sustainable future by integrating safety, environmental responsibility, and innovation into the Company's operations and solutions.

Committed to building a sustainable future by integrating safety, environmental responsibility, and innovation into the operations and solutions. Through energy-efficient manufacturing, reduced emissions, and next-generation mobility technologies, the Company contributes to safer roads, lower environmental impact, and long-term value for society.

A Trusted Leader in Technologies and Services for the Indian Commercial Vehicle Sector

60 Years of Leadership. Driven by Growth Catalysts.

Leading the Way with an ESG-Focused Business Model

Cost Leadership Across the Value Chain. Innovation at the Core.

A Robust Aftermarket Network. Trusted Industry Leadership.

6

Dedicated Manufacturing Plants

1

Superior Global Centre for Digitalization & Software Development

1

World-Class Test-Track

1

State-of-the-art Global Engineering Centre

651

Aftermarket Wholesale Distributors

266

Authorized Service Partners

Foundation of ZF CVCS



Safe

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



Sustainable

- Climate Action
- Sustainable and Circular Products and Operations
- Employee Development and Diversity
- Responsible Business Conduct
- Long-term Value Creation and Resilience



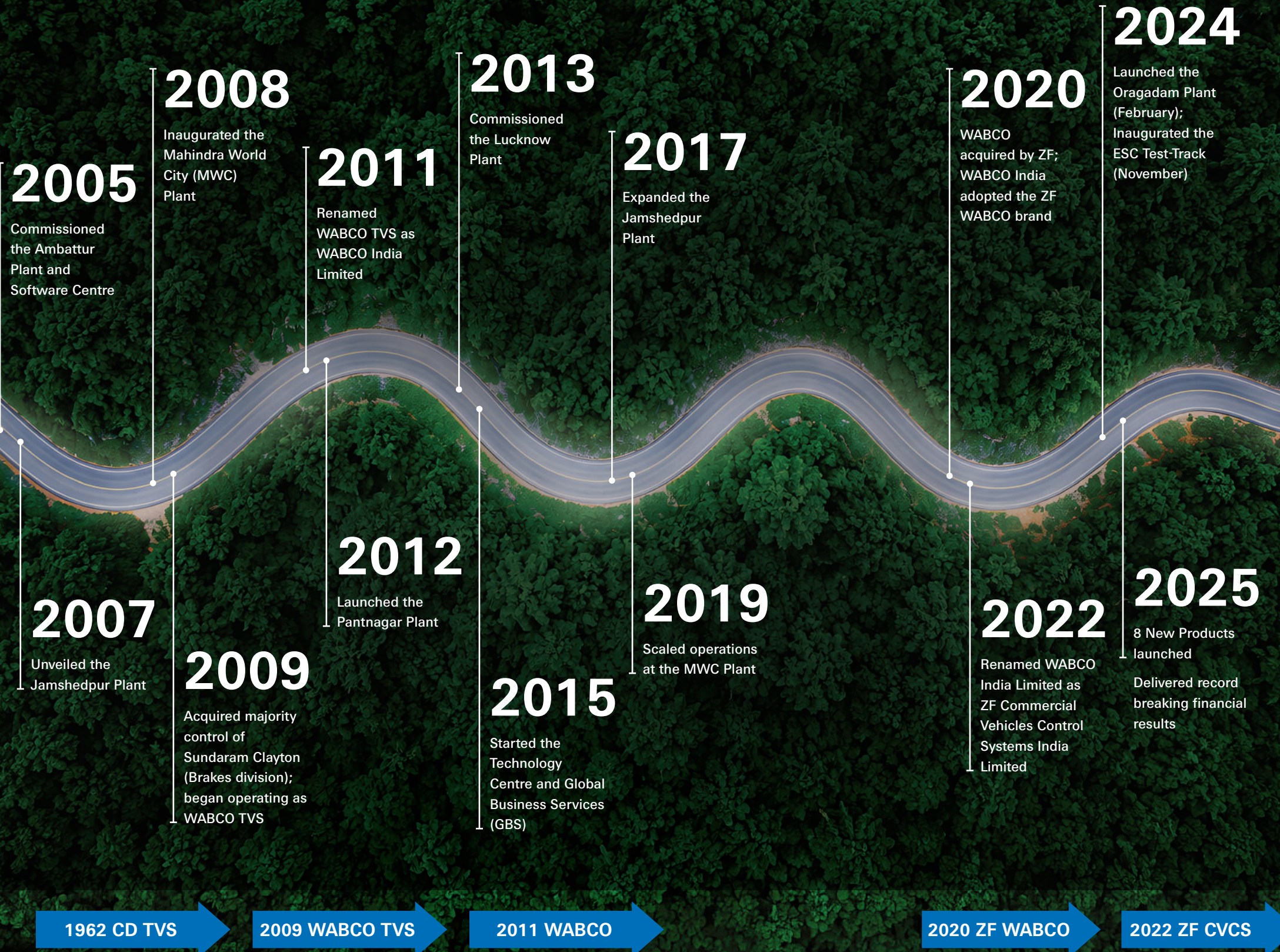
Intelligent

- Automated Manual Transmission (AMT)
- Electronic Braking System (EBS)
- Oil Pressure Regulator (OPR)
- Compressor Electronically Controlled Air Processing (ECAPU)
- SCALAR - Hardware & Software SCALAR Evo-Pulse



The Company addresses the industry's key challenges through a focused approach on efficiency, safety, and digitalization. Our product and system solutions are designed to reduce Total Cost of Ownership (TCO) and minimize CO₂ emissions, while advanced driver assistance systems (ADAS) enhance road safety, driver comfort, and cargo protection. Complementing this, our connectivity and software solutions enable smarter operations through efficient fleet management, predictive maintenance, and data-driven digital applications.

OUR GROWTH JOURNEY



A Legacy of Progress, A Future of Possibilities

The Company has steadily evolved into a technology-driven organization specializing in advanced vehicle control and mobility solutions. Over the years, the Company has redefined its identity as a pioneer in cutting-edge vehicle systems, guided by a clear and unwavering focus on mobility that is safe, sustainable, and intelligent. This evolution reflects its long-standing commitment to developing mobility solutions that are responsible, resilient, and future-ready.

The integration with the ZF Group marked a significant milestone in this evolution. By unlocking synergies in innovation, scale, and global expertise, this integration strengthened the ability to address the growing complexity of modern mobility demands. It also expanded the market access and enhanced the capability to deliver world-class solutions aligned with global standards while remaining responsive to local requirements.

As the Company has continued to expand its international presence and scale its operations, investment in people and capability building became a strategic priority. In FY 2025-26, this commitment was reinforced with the inauguration of a new training facility designed to develop future-ready skills and deepen technical excellence. The facility promotes continuous learning, enhances safety awareness, and builds advanced competencies aligned with evolving mobility technologies.

Building on a strong legacy and a forward-looking mindset, the Company continues to advance its engineering capabilities and deliver solutions that improve safety, enhance efficiency, and reduce environmental impact. Through disciplined growth, technological excellence, and a deep understanding of customer needs, the Company is contributing to the evolution of commercial mobility in India and beyond, helping reimagine future transportation ecosystems while preparing for the challenges ahead.

OUR OFFERINGS

The Company is reshaping the commercial mobility landscape through intelligent technologies that embed safety, connectivity, and performance across the vehicle lifecycle. Acting as a trusted lifecycle partner to OEMs, fleets, and aftermarket stakeholders, the Company delivers end-to-end support from concept and deployment to efficient operations and responsible end of life management. Backed by decades of domain expertise, a strong global network, and a broad innovation portfolio, the Company serves as a single source mobility enabler. The Company's solutions enhance uptime, simplify operations, and maximize value, enabling partners to succeed in a fast-evolving, demand-driven environment. Through the Company's core offerings, Truck & Bus Solutions, Digital Services, and Trailer Technologies address the needs of a connected, data-driven world and contribute to the evolution of Transportation as a Solution (TaaS).

Advanced Braking Controls & Driver assist system

- Pneumatic /Hydraulic Antilock Braking system (ABS) & Electronic Stability Control system (ESC)
- Electronic Braking Control system (EBS)
- Hill Hold Assist and Automatic Traction Control (HiSA & ATC)
- Advanced Driver Assist system (ADAS)
- Pneumatic and Hydraulic Braking control / Actuation valves
- Wheel End solution along with Foundation brakes



Air management system for Internal Combustion Engine (ICE) and Electric Vehicle (EV)

- ICE compressor – Single and multi-cylinder
- E-compressor for electric bus and truck
- Air Processing System
- Electronically controlled Air Processing unit



SUSTAINABLE MOBILITY

Driveline Controls

- Clutch Actuation System
- Optidrive Automated Manual Transmission (AMT) system
- Exhaust Brake



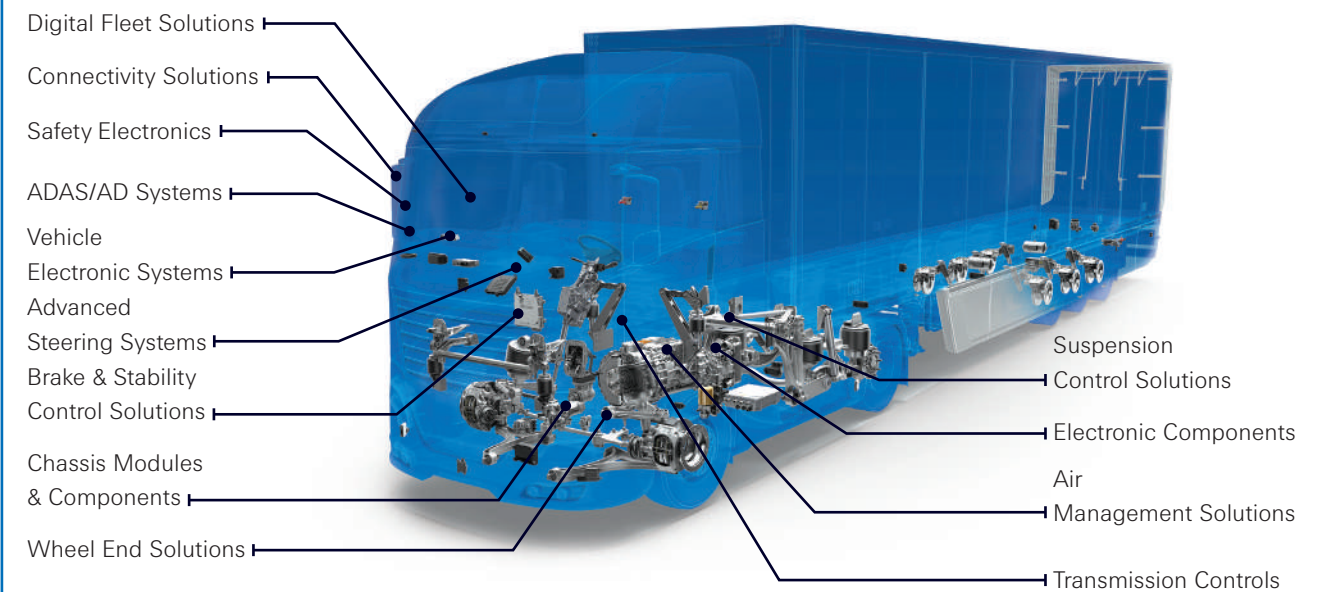
SAFE MOBILITY



Suspension Control

- Electronically controlled Air suspension system for Commercial Vehicles
- Air supply unit for premium air suspended cars

Delivering Scalable Solutions for the CV Ecosystem



Innovation & Services Across the Vehicle Life Cycle



Vehicle
Production



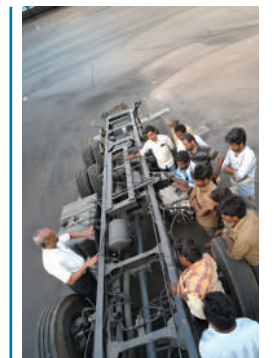
Repair &
Maintenance



Upgrade &
Update



Fleet Operations
& Management

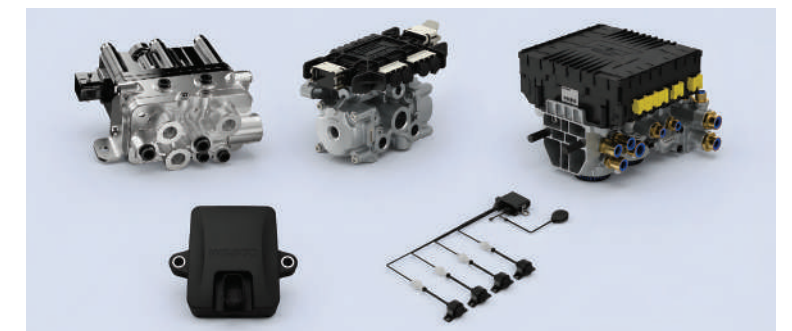


Vehicle
Maintenance

INTELLIGENT MOBILITY

Bus & Trailer solutions

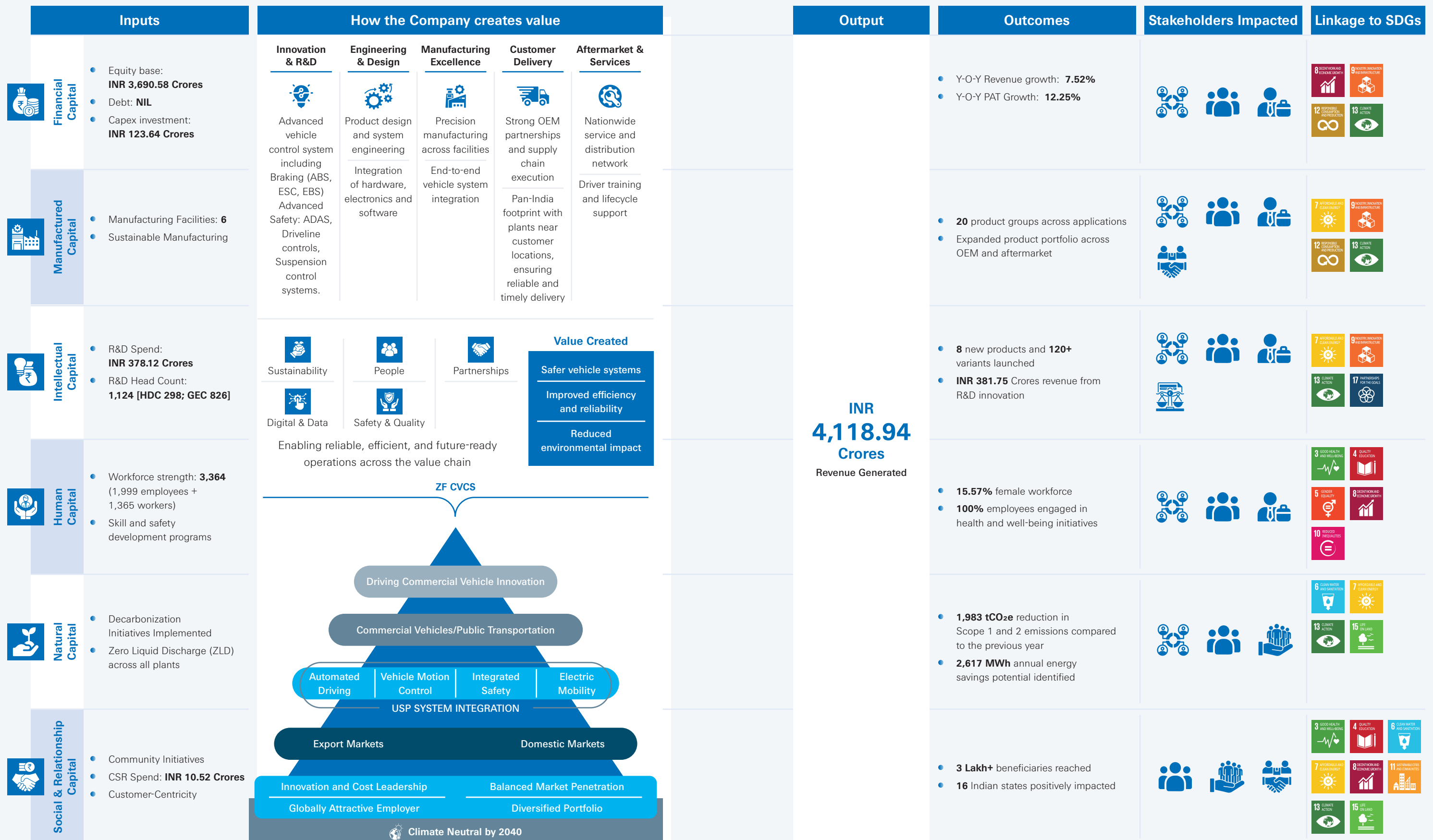
- Intelligent Door control system
- Tire Pressure Monitoring System (TPMS)
- Trailer ABS/EBS system
- Trailer Pulse
- Reverse Park Assist System (RPAS)



VALUE CREATION MODEL

Investors and Shareholders Customers Employees Channel Partners and Suppliers Government and Regulatory Authorities Community

Value Creation Model



AWARDS AND RECOGNITIONS

Excellence Achieved

The Company is proud to be recognized for its commitment to excellence, innovation, and integrity. These awards reflect the strength of its collective

efforts and motivate us to continuously set higher benchmarks across all areas of its business. Each recognition reinforces the dedication to creating

lasting value for the stakeholders and strengthens the resolve to lead with purpose while consistently raising the bar in everything the Company does.

88
Awards won
in FY 2025-26

14
National Awards

58
State Awards

16
Regional Awards

From a wide range of accolades, the following highlights a few of the significant awards:



Marketing Digital team won CVF Most Admired Trailblazer in Safety Solutions and Innovations award



Ambattur, MWC & Oragadam teams won Gold award in QCFI SHEEN competition



Ambattur QA team won Gold award in QCFI Kaizen Competition



Ambattur central IE team won IMTMA productivity champion award



MWC Lotus team achieved the 2nd Runner-up title in the CII National QCC Competition



Pune HR team won the 1st Runner-up Award in the ACMA HR Best Practice Competition



JSR Rudra team won 1st Prize in ACMA low cost automation at regional level



Ambattur IE team won Platinum award in CII National level Lean Competition



Ambattur team won the 1st and 2nd Prize in CII Master mind quiz



Pune team won the Silver Award in the 'Best Organizations Overall EHS Practices' category at the CII EHS Competition



Ambattur site received Gold award in CII EHS performance



Received 1st runner-up in CSR Award at CII EHS Excellence Awards



SUSTAINABILITY STRATEGY



Advancing Progress with Purpose

The Company's sustainability strategy "Acting now. Sustainability@ZF" is integrated into the overarching Group strategy and reflects the dimensions of environment ("acting for climate and nature"), society ("acting for all people") and governance ("acting for lasting values"). Each of these three dimensions contains strategic fields of action that include goals and measures.

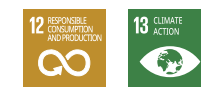


Environment

Acting for Climate and Nature

- **Climate Action**
- **Sustainable and circular products and operations**

In the field of the environment, the focus is on climate protection and the development of circular products and business models. The ZF Group aims to reach net zero emissions by 2040 (Scope 1 to 3). This includes an 80% reduction in Scope 1 and Scope 2 emissions by 2030 compared to 2019 levels and a 40% reduction in Scope 3 emissions by 2030 compared to 2019 levels. In addition, ZF Group aims to achieve 100% Renewable Electricity (RE) across the Group by 2025, supporting its transition to a more sustainable and low-carbon future.



Social

Acting for All People

- **Employee Development and Diversity**
- **Keeping People Safe**
- **Human Rights and Working Conditions**

The society dimension includes the promotion of an inclusive work culture that values diversity, supports continuous learning and enables personal development. Furthermore, the protection of our employees' health and safety is a key area of focus. The Company works towards ensuring that human rights are observed in our own business area and along the entire value chain.



Governance

Acting for Lasting Values

- **Responsible behavior across the business**
- **Long-term value creation and resilience**

In the field of governance, the Company believes that good business conduct includes complying with applicable laws and regulations, promoting responsible conduct within the Company and creating lasting values. Around 60% of the Company's value creation takes place within the upstream value chain. Trusting and reliable collaboration with our suppliers is therefore important to us.



To align with ZF Group's sustainability strategy, the Company has undertaken several key actions that demonstrate its commitment to environmental responsibility, resource efficiency, and workplace safety. The Company has commissioned a 1,200 KL rainwater harvesting pond at its Jamshedpur facility and implemented ZLD systems across plants to strengthen water security. In addition, the Company installed a 200 kWp rooftop solar system at its Lucknow facility and successfully achieved the 100% green electricity target across operations. Alongside these environmental milestones, employee safety performance remained strong, with zero injuries, zero LTIFR, zero fatalities, and no high-consequence injuries reported during the year. The Company also reported zero fines, zero non-monetary sanctions, zero cases of corruption and zero cases filed regarding unfair trade practices and anti-competitive behavior, reflecting the effectiveness of its governance controls, compliance systems, and ethical standards across operations. Together, these initiatives reinforce the Company's holistic approach to sustainability and its long-term ambition of achieving climate neutrality by 2040.



FINANCIAL CAPITAL

Key Highlights of FY 2025-26 (Consolidated Figures)

INR 4,118.94 Crores Revenue from Operations	INR 830.26 Crores EBITDA	INR 517.15 Crores PAT
INR 9.48 Crores Equity Share Capital	INR 3,690.58 Crores Shareholder Funds	Nil Debt
20.16% EBITDA as % of Revenue		

BRSR Principles

Principle 8

Businesses should promote inclusive growth and equitable development

GRI Indicators Addressed

GRI 201-1, GRI 201-2

Material Topics Addressed



Risk
Management

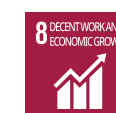


Ethical Business
Practices



Responsible
Investment

SDGs Impacted



Strong Positioning to deliver future growth

Financial capital serves as a core catalyst in accelerating the Company's growth ambitions and strengthening the leadership position in the evolving commercial mobility segment in India. The Company's strong financial position enables it to proactively invest in next-generation technologies, unlock scalable opportunities, and navigate an increasingly complex global environment with agility and resilience. The Company operates under strong financial stewardship and aims to translate financial resources into meaningful, real-world impact advancing the development of innovative, safe, sustainable, and intelligent mobility solutions that support the commercial



vehicle markets and meet evolving stakeholder expectations.

This year marked a significant milestone in our growth journey, as the Company achieved the highest revenue in its history, setting a new benchmark for financial performance. This achievement reflects the strength of our strategic priorities, disciplined

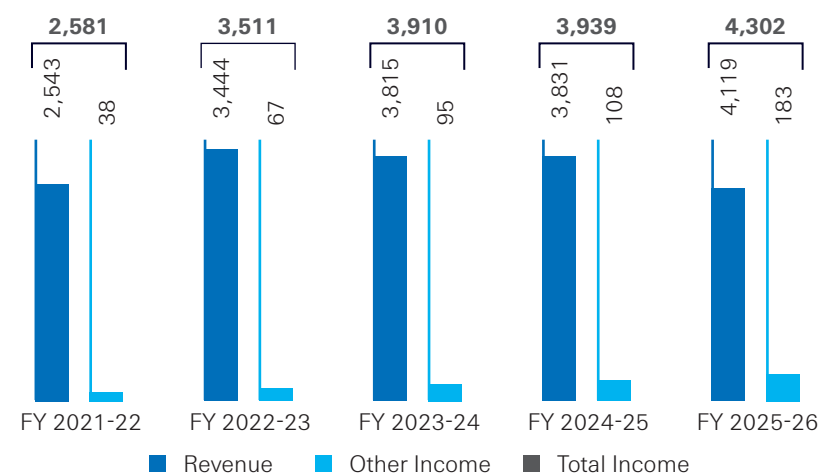
execution, and unwavering focus on delivering value to our customers and stakeholders. Building on this momentum, the Company remains committed to driving sustainable growth, strengthening profitability, enhancing capital efficiency, and creating enduring value for our shareholders and stakeholders in the years ahead.

Financial Performance (Consolidated Figures)

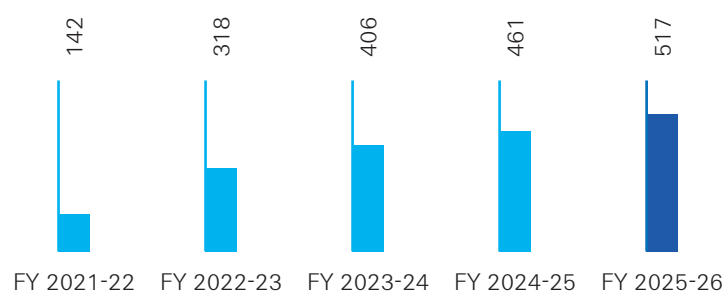
Revenue and Profitability

The Company delivered a strong financial performance in FY 2025-26, marked by steady revenue growth and robust improvement across profitability metrics, reflecting sustained business momentum, operational excellence, and a continued focus on value-driven growth.

A. Total Income (INR in Crores)



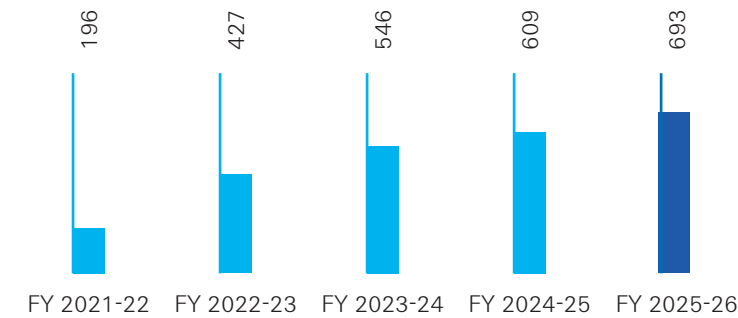
B. Profit After Taxation (INR in Crores)



The Company reported **Total Income** of INR 4,302.13 Crores, marking a Y-O-Y growth of 9.21%, driven by strong demand and continued business momentum.

Profit After Taxation (PAT) increased by 12.25% to INR 517.15 Crores, reflecting enhanced profitability, operational efficiency, and disciplined financial management. The effective tax rate for FY 2025-26 was 25.39%.

C. Profit Before Taxation (INR in Crores)

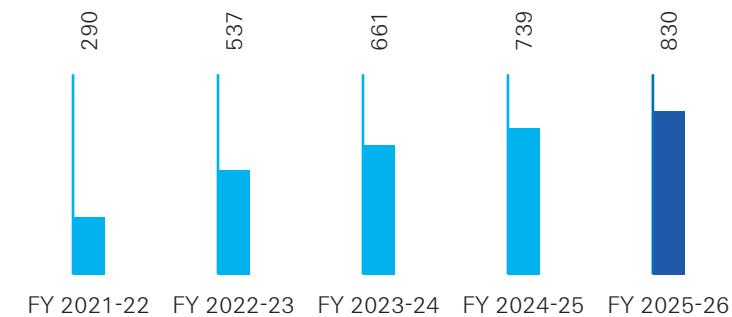


Profit Before Tax (PBT) increased to INR 693.12 Crores in FY 2025-26, registering a year-on-year growth of 13.75%, reflecting sustained profitability and continued operational strength.

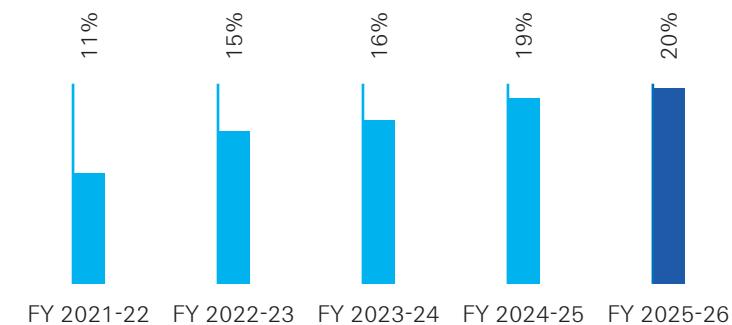
Operational Efficiency and Liquidity

The Company continues to demonstrate strong operational efficiency and liquidity, supported by improved EBITDA performance, enhanced receivables management, and a robust liquidity position, despite a moderation in inventory turnover, reflecting a balanced and well-managed approach to growth and working capital optimization.

A. EBITDA (INR in Crores)

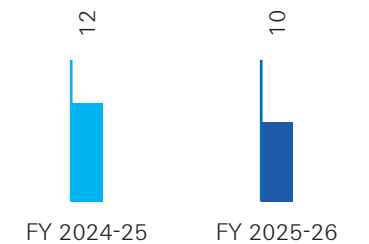


B. EBITDA as % of Revenue

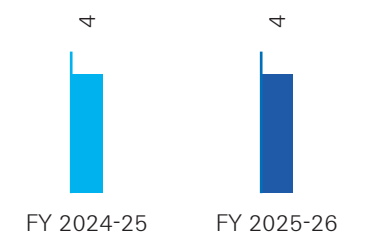


EBITDA margin improved to 20.16% from 19.30%, while EBITDA rose by 12.31% to INR 830.26 Crores, outpacing revenue growth and reflecting stronger operating leverage, improved cost efficiencies, and a continued focus on profitable growth.

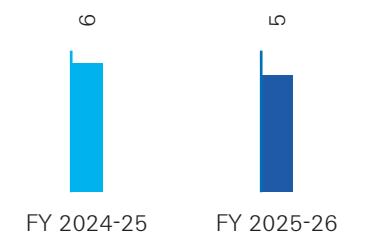
C. Inventory turnover (times)



D. Debtors' turnover (times)



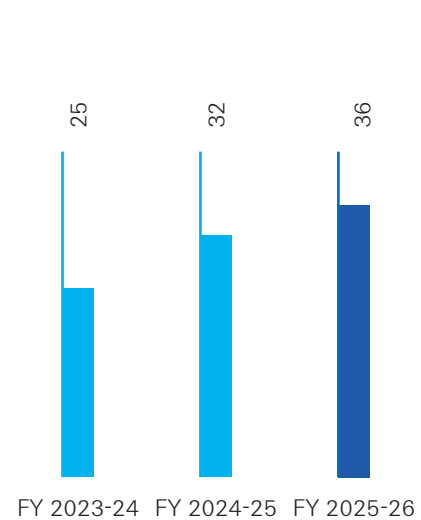
E. Improvement in Current ratio (times)



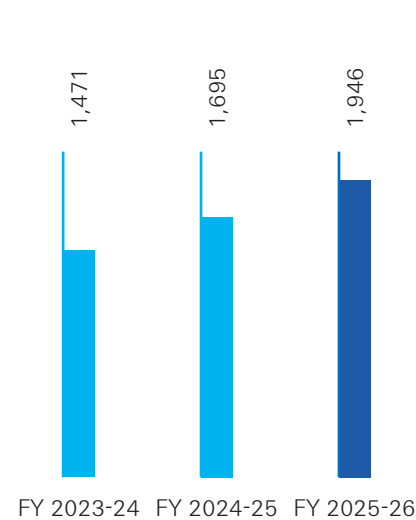
Inventory turnover moderated, on the back of supply constraints due to geo-political developments, to 10.20 times in FY 2025-26 from 12.45 times in FY 2024-25 indicating relatively higher inventory holding to support capacity readiness for increased demand. Debtors' turnover improved to 3.99 times from 3.72 times, reflecting better collection efficiency and strengthened receivables management. The current ratio declined marginally to 5.30 times from 5.80 times, reflecting effective deployment of working capital while maintaining a strong liquidity position.

Dividend and Shareholder Value Creation

A. Dividend Paid (INR in Crores)



B. Book Value Per Share (BVPS) (INR)



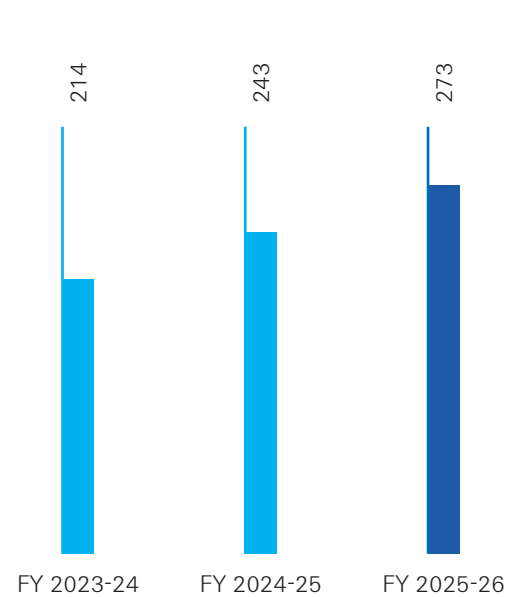
During the current Financial Year, the total **Dividend paid was INR 36.03 Crores as compared to the previous FY 2024-25 of Dividend payout INR 32.24 Crores which reflects an effective increase of 11.76%**

Dividend per share was declared at INR 4 (post-bonus) in the FY 2025-26 from INR 19 in the FY 2024-25, balancing shareholder payout with strategic focus on retaining earnings to support future growth initiatives and strengthen financial position.

Meanwhile, **book value per share** increased to INR 1,945.73 (pre-bonus) from INR 1,692.78 (pre-bonus), underscoring continued value creation, growth in net worth, and commitment to enhancing long-term shareholder value.

Profitability Measures

A. Earnings per Share (EPS)

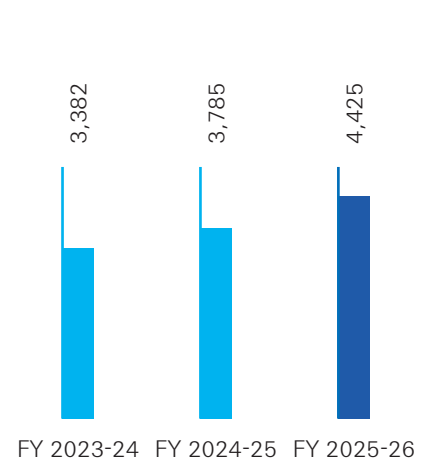


Earnings Per Share (EPS)

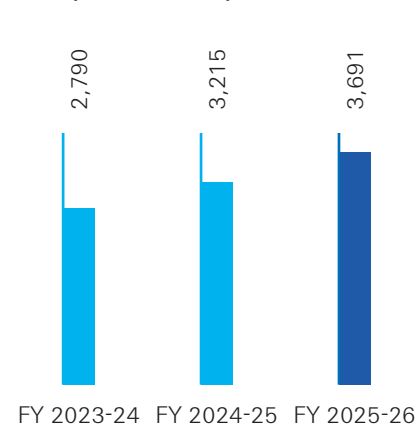
increased to 272.65 FY 2025-26 from 242.90 FY 2024-25, reflecting an overall growth of 12.24% over the period. This consistent rise indicates strong growth in earnings available to shareholders, enhancing investor value and signaling improved profitability performance.

Financial Position

A. Total Assets (INR in Crores)



B. Net Worth – Shareholder Equity (INR in Crores)



Total Assets increased by INR 640.31 Crores (+16.91%) from INR 3,785.19 Crores to INR 4,425.50 Crores, reflecting strong balance sheet expansion and continued investment-led growth.

Net Worth rose by INR 476.04 Crores (+14.80%) from INR 3,214.54 Crores to INR 3,690.58 Crores, indicating sustained profitability and steady enhancement of shareholder value.

Economic Value Creation

During FY 2025-26, the Company continued to strengthen its ability to generate sustainable economic value, supported by steady growth across key financial indicators. The total income grew by approximately 9.21% year-on-year, reflecting resilient business performance and consistent revenue expansion. This growth, combined with disciplined cost management, has enabled the Company to further enhance its operational efficiency. The Company remains committed to delivering long-term value to all stakeholders by ensuring timely payments to capital providers, fulfilling statutory obligations to the government, and contributing meaningfully to community development through the Company's CSR initiatives.

A. Economic Value Generated (INR in Crores)

Performance Indicator	FY 2024-25	FY 2025-26
Total Income	3,939.16	4,302.13

B. Economic Value Distributed and Retained (INR in Crores)

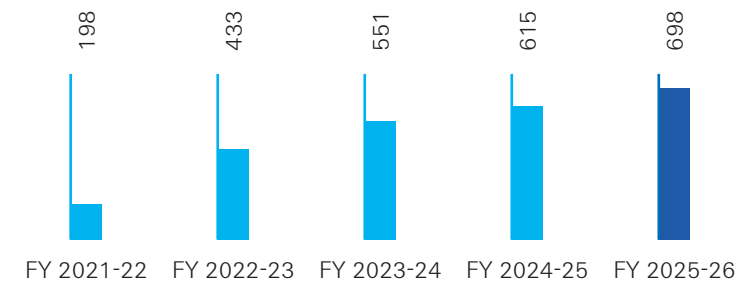
Performance Indicator	FY 2024-25	FY 2025-26
Total Expenses (Excluding Finance Costs, Depreciation and amortisation expense)	3,199.88	3,463.94
Payments to Providers of Capital	32.24	36.04
Payments to Government	236.36	529.23
Community Investments, Including CSR Spent	7.78	10.52
Economic Value Retained (PAT)	460.73	517.15

Total Income (INR in Crores)



Operating Profit

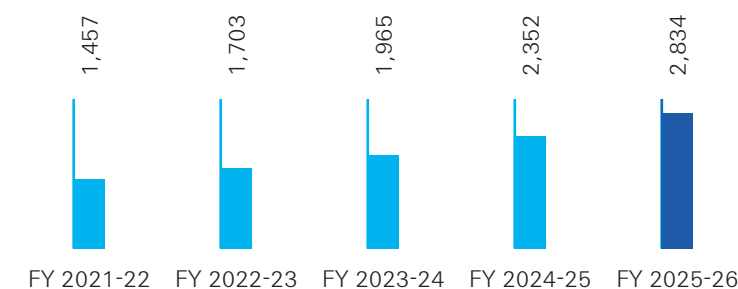
The Company continued its strong operating performance during FY 2025-26, with operating profit increasing by 13.56% from INR 615.02 Crores in FY 2024-25 to INR 698.46 Crores in FY 2025-26. The improvement was supported by operational efficiencies and disciplined cost management, reinforcing the Company's strong profitability profile.



**Operating Margin
FY 2025-26: 17%**

Working Capital

The Company's working capital increased from INR 2,351.62 Crores in FY 2024-25 to INR 2,833.91 Crores in FY 2025-26, registering a growth of 20.50%. This increase reflects the scale-up of business operations and the Company's ability to support growing revenue requirements. Going forward, the Company remains committed to further strengthening working capital efficiency through continuous process improvements and prudent resource management.

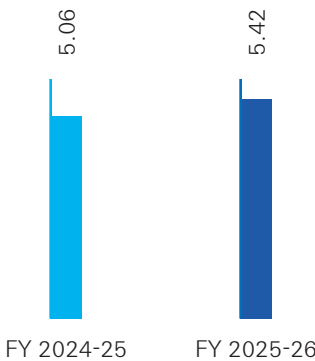


**Working Capital
Turnover Ratio
FY 2025-26: 1.45**

Capital Expenditures and Investments

The Company has demonstrated improved operational efficiency, with the fixed asset turnover ratio increasing from 5.06 times in FY 2024-25 to 5.42 times in FY 2025-26. This upward movement reflects the Company's enhanced ability to generate higher sales from its fixed asset base, indicating stronger asset utilization and disciplined capital management. A significant portion of investments was directed towards capacity enhancements and technology development, with focus on strengthening core manufacturing capabilities. These strategic investments were undertaken to expand production capabilities and support long-term demand, while the improvement in the turnover ratio highlights the Company's ability to efficiently absorb and leverage these investments to drive revenue growth.

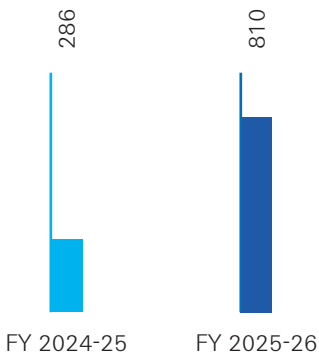
Fixed Asset Turnover Ratio



Cash Flow Optimization

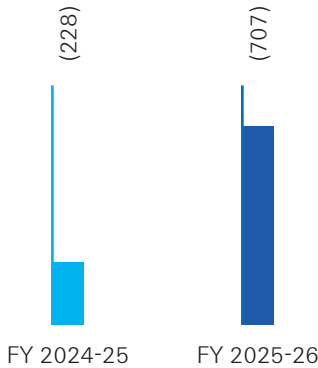
The Company remains focused on strengthening its cash flow profile through operational excellence, disciplined working capital management, prudent capital allocation, and a balanced approach to shareholder returns. During the year, these initiatives contributed to healthy cash generation from operations while enabling continued investments in growth opportunities and maintaining a strong financial position.

Operating Activities (In INR Crores)



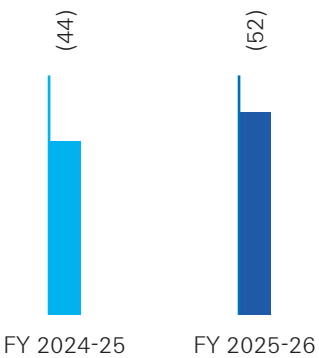
Net cash inflow from operating activities increased by 183.21%, driven by improved working capital management, stronger realization of receivables, and favorable movements in operating liabilities, resulting in significantly higher cash generation from core business operations despite increased investment in inventories.

Investing Activities (In INR Crores)



Net cash outflow from investing activities increased by 210.08%, primarily due to the deployment of surplus funds into capital assets and debt-linked mutual funds. These investments reflect the Company's disciplined capital allocation strategy, focused on optimizing returns on surplus liquidity while supporting future growth and operational capabilities.

Financing Activities (In INR Crores)



Net cash outflow from financing activities increased by 18.18%, mainly due to higher dividend payouts and lease liability repayments. This reflects the Company's commitment to delivering value to shareholders while prudently meeting its financing obligations and maintaining a sound financial position.

Overall, the Company's cash flow performance during the year reflects the strength of its underlying business operations, effective treasury management, and a balanced financial strategy. Strong operating cash generation, coupled with strategic investments and responsible capital deployment, positions the Company well to support its long-term growth objectives while maintaining financial flexibility and resilience.

Tax Approach

Financial Subsidy from the Government FY 2025-26	Value (INR in Crores)
Tax Deductions and Tax Credits	582.58
Financial Incentives*	8.06

*Note: The above financial incentives include Remission of Duties and Taxes on Exported Products and Duty Drawback.

The Company follows a structured and proactive tax strategy aimed at ensuring compliance, operational efficiency, and alignment with our broader business objectives. Further, the Company's engagement with tax authorities remains constructive and transparent, with timely responses and ongoing dialogue on regulatory developments.

Way Forward

The Company's disciplined approach to capital allocation continues to strengthen liquidity, optimize returns, and support long-term value creation. During the year, the Company enhanced shareholder value and market liquidity through a bonus issue aimed at broadening retail investor participation and improving trading liquidity. The Company also strengthened financial flexibility by funding our e-compressor business through preference share investments, enabling efficient capital deployment while delivering both tax and liquidity benefits. Focus on working capital excellence

remained a key priority, supported by effective inventory management, disciplined receivables control, and the use of supply chain financing solutions to unlock cash and improve capital productivity. Strategic investments in capital expenditure, particularly in expanding crankshaft manufacturing capabilities to meet rising domestic demand and support exports to the global market, position the Company to capture future growth opportunities and further extend its global reach. The Company is also strengthening our export portfolio through the

expansion of air processing units and cartridge offerings, enabling access to new markets and revenue streams. In parallel, our continued evaluation of make-versus-buy decisions across the supply chain and capital investment programs is enhancing cost competitiveness, operational resilience, and capital efficiency, ensuring that every investment is aligned with our long-term objectives.





MANUFACTURED CAPITAL

Key Highlights FY 2025-26

Expanded e-mobility manufacturing capabilities with **new lines at Oragadam** | Achieved **PITS Level 3** cybersecurity maturity across all manufacturing plants

Performance was monitored across **six KPIs** | Attained **~2.7 OMA** score, strengthening global competitiveness and operational maturity

BRSR Principles Addressed

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 8

Businesses should promote inclusive growth and equitable development

Material Issues Addressed



Opportunities in Clean Technology



Opportunities in Green Building



Responsible Investment



Employee health & safety



Energy Management



Water Stewardship



Waste Management



Responsible Sourcing



Supply Chain Management



Labor Practices & D&I

GRI Indicators Addressed

GRI 403, 404

SDGs Impacted



The Pulse of Progress: Inside the Intelligent Plants

Manufacturing capital is where strategy meets the shop floor transforming vision into precision-engineered reality. This year, the Company commissioned next-generation e-mobility lines at Oragadam and scaled capacities across Jamshedpur, Lucknow, and Pantnagar, strengthening its ability to serve Indian OEMs and global markets alike. Through smart automation, robotics, and a digitally connected production ecosystem anchored by the ZF Production System (PS), the plants are evolving into intelligent, sustainable, and safer environments engineering not just components, but the future of mobility itself.



Pantnagar

Set Up in 2012; 1 Value Stream; 2,200 sq. mt. Mfg. Area; 11 Assembly Cells

Lucknow

Set Up in 2013; 2 Value Streams; 3,300 sq. mt. Mfg. Area; 18 Assembly Cells

Jamshedpur

Set Up in 2007; 2 Value Streams; 10,670 sq. mt. Mfg. Area; 33 Assembly Cells; 12 Machining Cells

Strategic assembly line upgrades at **Jamshedpur, Lucknow, and Pantnagar** have boosted capacity, delivery performance, and agility, alongside meaningful reductions in transportation-related emissions.

Snapshot of Strength and Smart Manufacturing

At Oragadam:

New manufacturing lines were commissioned at Oragadam plant for next-generation e-mobility products, enabling production of e-Compressor Lite, Brake Signal Transmitters, wheel-end actuators for Indian OEMs, and vacuum pumps for exports.

Oragadam

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

Mahindra World City

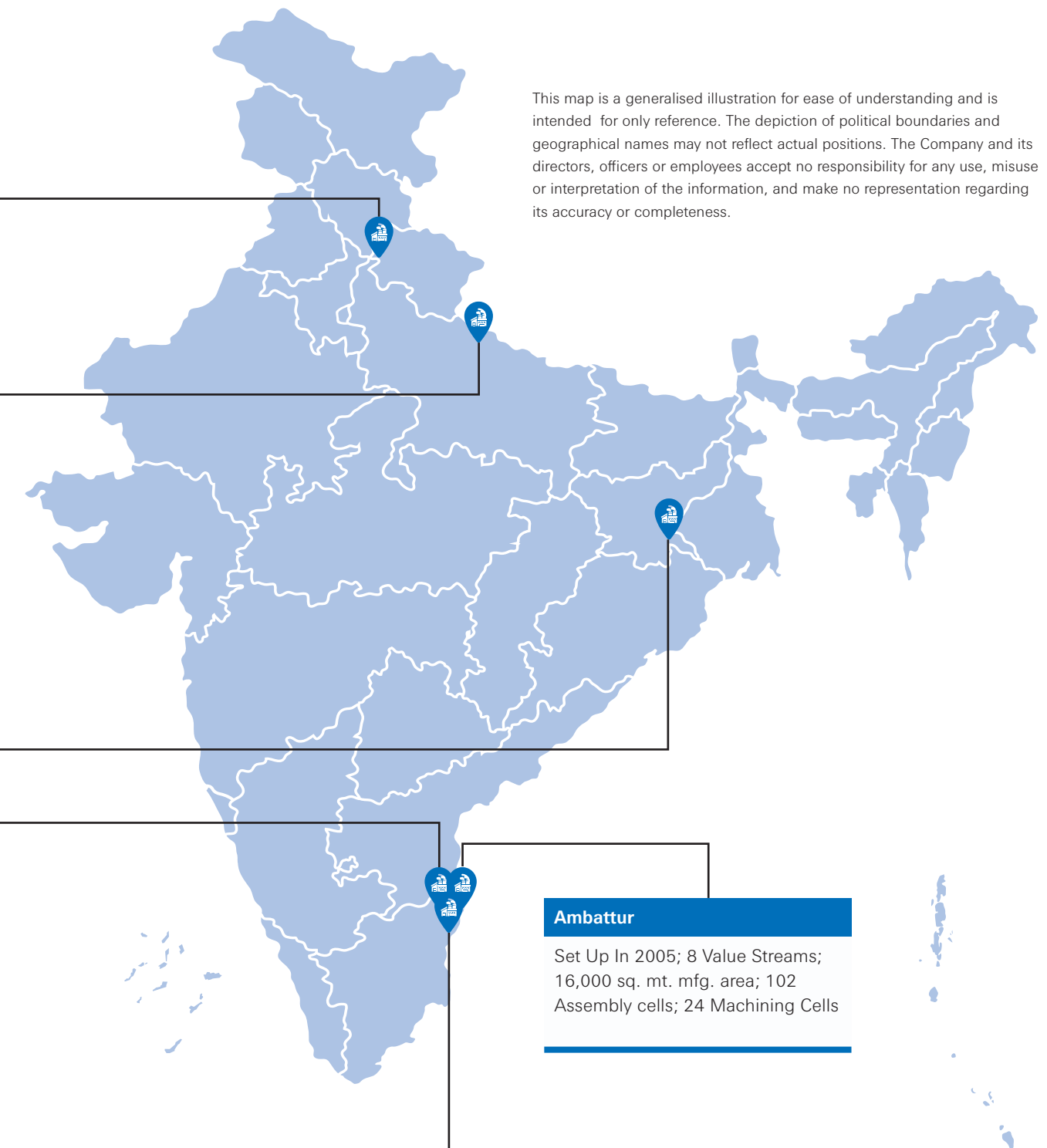
Set Up in 2008; 5 Value Streams; 9,500 sq. mt. Mfg. Area; 29 Assembly Cells; 33 Machining Cells

Ambattur

Set Up In 2005; 8 Value Streams; 16,000 sq. mt. mfg. area; 102 Assembly cells; 24 Machining Cells

A Footprint Built for Scale, Strength, and Sustainability

Manufacturing capacities across all plants for braking system products have been scaled up to capitalize on emerging growth opportunities.



This map is a generalised illustration for ease of understanding and is intended for only reference. The depiction of political boundaries and geographical names may not reflect actual positions. The Company and its directors, officers or employees accept no responsibility for any use, misuse or interpretation of the information, and make no representation regarding its accuracy or completeness.

Ambattur

- 14 Domestic Customers, 8 Value Streams, 22 Global Partners, 2,785,102 Assembly Lines, 40 Unique Assembly Variants Machining Lines, 4 Specialized Processing Units – Contributes over 60% of the total manufacturing output in India, highlighting its tactical relevance.
- Growing in product complexity; machining, assembly, surface treatment, heat treatment, injection molding; 94% domestic customers



Oragadam

- 80% Female Workforce
- Unit focuses on breakthrough technologies across products such as E-Compressors, Hydraulic Electronic Stability Control (ESC) and Air System Protector (ASP) Cartridges.



Mahindra World City (MWC)

- 92 Global Customers, 46 Machining Lines, 564 Stock Keeping Units SKUs, 36 Assembly Lines, 4 Value Streams
- Conventional products plus Air Supply Unit (ASU) hub for worldwide compressor manufacturing; machinery, assembly, painting, Surface Treatment (ST), heat treatment (HT); 100% export to CAR and CV industry



Lucknow

- 22 Assembly Lines
- The facility features a specialised wiring harness unit, supporting a growing range of conventional products.
- Designed to serve the dynamic needs of OEMs, the facility paves the way for timely and efficient delivery through sound assembly capabilities.



Jamshedpur

- 37 Assembly Lines, 12 Machining Lines, 2 Specialized Processes, 2 Value Streams
- Fast growing site; conventional products plus strategic products Automatic Slack Adjuster (ASA) and machining, assembly, surface treatment
- 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.



Pantnagar

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



Digitalization - The Intelligent Backbone of the Plants

Behind every smart product is a smarter shop floor. This year, the Company deepened digital DNA of the plants, laying groundwork for an intelligent, connected, and resilient manufacturing future.

Strengthening the Digital & IT Foundation



Connectivity

Wired network infrastructure deployed across all production areas, network racks, industrial switches, and structured cabling



Data Centre Upgrade

Upgraded to comply with MiConDis and ProSA standards



Cybersecurity

Active Network Access Control enabling PITS Level 3 across all factories

Next-Generation Process Control

Piloted the Company's SCADA system Agile Cell Controller (ACC) in Ambattur to enable next-gen process control and traceability. The pilot achieved improved process steering, enhanced traceability, and operational transparency, and is now being scaled across plants.

Digital Manufacturing Platform (DMP) in Action

Custom Shop floor Solutions (built via citizen development)	Enterprise DMP Applications Rolled Out
Smart Water Metering	Worker Cockpit
Specific Energy Tracking	Overall Equipment Efficiency Analyzer
4M Andon Calls	Advanced alerting for condition monitoring
Tools & Fixture life monitoring	Digital Shop floor Management

Digital Shop floor Management: Plant-Wise Deployment

Case Study:

Ambattur Model Line: A Local Benchmark for Industry 4.0

The Ambattur Model Line is a showcase of Industry 4.0 deployment at the shop floor level, closely aligned with the Company's Strategic IT Landscape. By combining paperless digitized processes with data-driven digitalized operations, the line enables real-time visibility, standardized execution, and smarter decision-making creating a scalable blueprint for advanced manufacturing excellence.

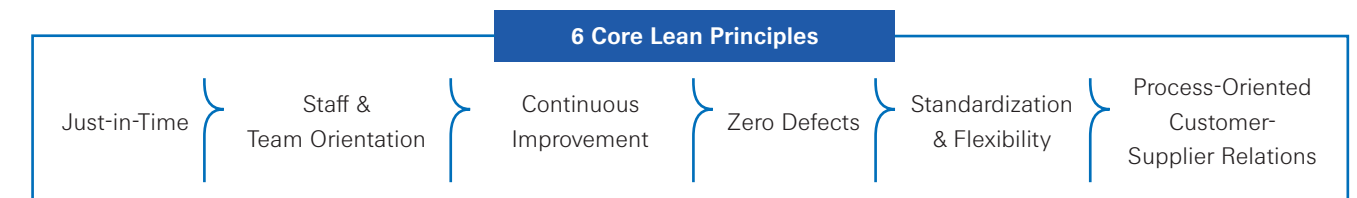
Impact Created

- Improved safety, quality, and efficiency through standardized, digitally enabled processes.
- Real-time operational visibility enabling faster, data-driven decisions.
- Elimination of paper-based workflows, reducing errors and improving traceability.



ZF PS: Philosophy of Lean Excellence and Sustainable Performance

As people of Production System, the Company believes that sustainable results are driven by strong enablers.



Key Performance Indicators (KPIs) tracking – Objective Focus



Across manufacturing sites, ZF PS deployment remains focused on standardizing operations through a common platform continuing to drive Zero Defect performance through strong quality at source practices, and improved safety, delivery, and cost outcomes across all the sites. Focused efforts on waste elimination, process stability, and customer centricity are reinforcing a culture of continuous improvement and ownership at all levels.

The Company Achieved Competitive Maturity on the Global Stage

In December 2025, the Company reinforced its operational excellence by successfully completing the Company's Overall Maturity Assessment (OMA) across the regional sites. Periodic OMA assessments enable clear gap identification and structured roadmaps driving sustainable growth and global alignment.



Assessed

Ambattur, Mahindra City & Jamshedpur evaluated across 6 mandatory OMA chapters



Achieved

Average score of ~2.7, placing the Company within the global competitive benchmark



Anchored

Linked to 6 vital production KPIs via the Correlation Matrix for measurable business impact

Case Study: Resource Qualification — Enabling ZF PS Cultural Transformation

Strengthened ZF PS capabilities by systematically qualifying employees to embed the ZF PS Way into daily operations.

Key Achievements

- 255+ employees qualified across Levels 2, 2+, 3 & 4
- Certifications covered ZF PS Basics, OMA, VSA, CIP & A3, Total Productive Maintenance 1(TPM), 5S, Changeover Optimization, and Shop Floor Management (SFM)



Case Study: Launch of DOJO 2.0 Training Center

The Company inaugurated DOJO 2.0 at its Ambattur plant, reinforcing its commitment to developing a skilled, safety-conscious, and future-ready manufacturing workforce.

Key Highlights

- Hands-on learning center of excellence.
- Real-world manufacturing simulations.
- Focus on safety, quality, and operations.
- Assessment-based skill certification.
- Visual and experiential learning approach.



Impact

- Accelerated workforce readiness.
- Enhanced safety and quality performance.
- Stronger shop-floor problem solving.
- Improved operational excellence.

Shop Floor Management (SFM)

SFM routines are consistently followed across all sites, with regular reviews, effective visual management, and systematic KPI tracking across safety, quality, delivery, productivity, and cost. Daily gap reviews, corrective actions, standard work reinforcement, and active team-led improvements have strengthened operational discipline and advanced overall SFM maturity.

Impact Created

- Stronger ownership & structured problem-solving on the shop floor
- Consistent gains across production KPIs
- Global alignment with ZF PS standards
- People-led culture of continuous improvement

What's Next

Scaling qualifications further by expanding Level 3 & 4 certifications across the Company's regional sites.

Value Stream Analysis (VSA) across sites

Current state VSM has been completed for key processes, with end-to-end material and information flows analyzed to identify bottlenecks and non-value-added activities. Key metrics such as cycle time, lead time, and inventory were reviewed, improvement opportunities identified, and future state maps developed. Action plans are tracked through site reviews with active cross-functional engagement, improving value stream visibility and overall operational effectiveness across sites.



Commitment to elevate safety across plants

To strengthen operational safety and shop floor discipline, targeted training programs were conducted across critical risk areas, including machine safety, material handling, and emergency response preparedness. These initiatives emphasized hazard identification, prevention of unsafe acts, and adherence to standardized safety practices building a proactive safety culture across functions.

100% focus

on high-risk areas-machine safety, handling, and fire response

Machine Safety & Workplace Safety Training

- Machine Safety and Guarding Practices
- Safe Material Handling Techniques
- Fire Fighting and Emergency Response Preparedness

Poka Yoke Campaign – Error Prevention Through Design

- Identify potential error and failure points
- Implement simple, practical error-proofing solutions
- Shift the approach from detection based controls to prevention at source

FMEA Alignment – Strengthening Risk Management

- Systematic identification of potential failure modes
- Strengthening of preventive and mitigation controls
- Improved integration between machine guarding and the safety aspects of the machine

Commitment to Global Standards

The Company aligns its manufacturing facilities with the highest global benchmarks, securing certifications under IATF 16949, ISO 14001, ISO 45001, and ISO 50001, emphasizing focus on quality, sustainability, and employee well-being.

Way Forward

Building on the strong foundation of ZF PS, the Company will continue to deepen lean execution to strengthen sustainable operational performance. By consistently leveraging the six lean levers: JIT, Staff & Team Orientation, Innovation & CIP, Zero Defects, Standardization & Flexibility, and Process-oriented Customer Supplier Relationships the Company will continue to enhance key production KPIs- LTAR, OPV, PPP, OEE, FCP, ITR.

Going forward, disciplined SFM, VSA deployment, and robust KPI governance will reinforce capability, alignment, and operational excellence across all sites.



INTELLECTUAL CAPITAL

Key Highlights of FY 2025-26

8 New Products Launched	120 New Product Variants released	6 New Patents Grants*
INR 378 crores Spent on R&D	3 Energy saving projects introduced	0 Data breaches reported

*Patents are listed under ZF Europe

BRSR Principles

- Principle 2**
Businesses should provide goods and services in a manner that is sustainable and safe
- Principle 6**
Businesses should respect and make efforts to protect and restore the environment
- Principle 9**
Businesses should engage with and provide value to their consumers in a responsible manner

GRI Indicators Addressed

GRI 418-1

SDGs Impacted



Material Topics Addressed

- Customer Privacy
- Emissions Management
- Opportunities in Clean Technologies

Powering Progress and Sustainability with Innovation

The ability to deliver safe, sustainable, and intelligent mobility solutions is grounded in strong engineering capabilities, deep technical expertise, and a culture of continuous innovation. These strengths are developed through advanced research and development, robust digital and cybersecurity governance, efficient processes, and responsible product and operational design.



Safe

Customer safety and reliability guide the engineering and operational practices. Strong design standards, governance frameworks, cybersecurity and data privacy controls ensure safe, compliant, and dependable products and internal systems, supporting customer trust.



Sustainable

The Company embeds sustainability into operations and product design through energy efficiency initiatives, lightweight engineering, circular design, and material traceability. These efforts reduce energy use, emissions, and resource consumption while supporting responsible long-term performance.



Intelligent

Intelligent mobility is enabled by technical expertise, structured innovation, and robust digital and IT governance. Data-driven decision making, capability building, and cross-functional collaboration support efficient, scalable, and future-ready solutions.

Research and Development

Our Research & Development function plays a central role in translating customer needs and market trends into advanced mobility solutions. Through a steady pipeline of product introductions, the team consistently delivers technologies that enhance safety, efficiency, and vehicle intelligence across ICE and electric platforms. This ongoing innovation reflects a strong customer focus and the ability to respond effectively to evolving regulatory and performance requirements.

2018

- Debuted ADAS in Collaboration with Tata Motors
- Rolled out the Intelligent Trailer Programme

2020

- Commissioned Reverse Parking Assistance System Commenced AMT Manufacturing for BS6 Platforms

2022

- Unveiled Digital Fleet Solutions and eLAC

2024

- Launched Electronically Controlled Air Suspension (ECAS) for Ultra-Low Entry ICE and EV Buses

2023

- Introduced Pneumatic and Hydraulic ESC Systems for Buses
- SOP of e-Comp Gen 2

2025 (5 Significant Launches)

- Airlite™ Electric Compressor technology launched, designed specifically for electric truck platforms to support next-generation electrified mobility
- 60 mm and 90 mm Exhaust brake systems (EBA) developed and launched for a leading OEM
- 200 CC Vacuum pump for Global OEM for 2 Litre Engine application
- Type 27/24 SBA HF for Indian OEM Mining application
- 318 cc ICE Compressor with OPR to improve Fuel Economy for Indian OEM

Alongside product development, R&D integrates sustainability into design and engineering decisions. Focus areas such as energy efficiency, lightweighting, emissions reduction, and circular design are embedded throughout development activities, as further illustrated in the sustainability case studies that follow.

Case Study: Sustainable Product Design and Carbon Reduction

The Company implemented targeted design and material optimization initiatives to improve product sustainability, enhance circularity, and reduce carbon emissions.

Material Traceability and Recyclability

Raw material marking was introduced on complex, high mass child parts, enabling easier material identification, segregation, and end of life recovery, supporting circular design principles.

Lightweight and Low-Carbon Product Design

Park Release Valve variants were optimized through material selection and lightweight engineering, including the use of advanced composite materials, reducing material usage and embedded carbon.

Component Level CO₂ Reduction

Design to Cost optimizations for the 318 cc Compressor included weight and design improvements across the crankshaft, crankcase, and connecting rod, delivering an estimated 9.4% CO₂e reduction per device and 28.2 tCO₂e reductions annually.

Lightweight Design Enhancement

Spring Brake Control Valve (SR3) design changes achieved significant mass reduction, lowering material consumption and product carbon footprint.



Impact

These initiatives demonstrate how engineering innovation and material expertise translate into measurable sustainability benefits, reinforcing commitment to circular economy principles and low carbon product development.

Case Study: Energy Saving Projects Implemented

The Company implemented multiple energy saving projects that demonstrate the engineering expertise and innovation capability in delivering sustainable, efficient, and future-ready operational solutions.

These initiatives focus on optimizing utilities, reducing energy consumption, and lowering the operational carbon footprint.

1

Compressed air recovery and reuse for sustainable testing operations

Compressed air previously vented to the atmosphere was recovered and recycled into the main airline. This reduced the load on the primary compressor and minimized unnecessary power consumption.

~INR 29.37 Lakhs

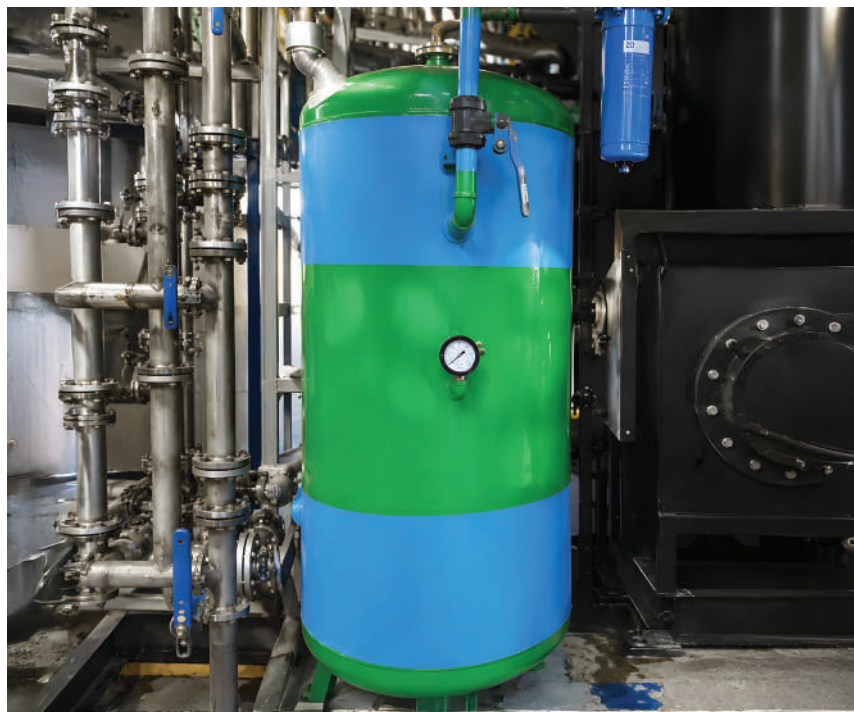
Annual cost savings

~3,26,073 kWh

Annual energy savings

~230.5 Metric tCO₂

Carbon footprint reduction per annum



2

Reduction of energy consumption in chiller units

2 conventional 30-TR chillers were replaced with inverter-based chillers, improving energy efficiency by approximately 20% and lowering power demand across cooling operations.

~INR 4.60 Lakhs

Annual cost savings

~46,051 kWh

Annual energy savings

~32.6 Metric tCO₂

Carbon footprint reduction per annum



3

Reduction of energy consumption in cyclic corrosion test chamber

Earlier, the CCT chamber took nearly 10 hours to reach -40°C, requiring continuous operation and the use of a 3-ton air conditioning unit. With the introduction of an optimized exhaust system and thermal insulation, heat dissipation improved significantly, enabling the chamber to reach -40°C in just 1.5 hours and eliminating the need for additional air conditioning.

~INR 2.37 Lakhs

Annual cost savings

~26,280 kWh

Annual energy savings

~18.6 Metric tCO₂

Carbon footprint reduction per annum



Data Security and Privacy

Cybersecurity is a core element of the Company's strategy to safeguard the internal operations and information assets. As the use of digital tools, enterprise systems, and data continues to expand across business functions, the Company has strengthened its internal cybersecurity, data privacy, and IT governance frameworks to protect sensitive information, ensure regulatory compliance, and maintain stakeholder trust.



TISAX® ASSESSMENT

TISAX is an assessment and exchange mechanism for the information security of enterprises and allows recognition of assessment results among the participants.

This document is valid until **25.04.2027**

ZF Commercial Vehicle Control Systems India Limited,
LOT7H4

Plot No A48, Central Avenue, Auto Ancillary SEZ, Chengalpeta - 603 002, Mahindra world city, Tamil Nadu, India

TISAX® Assessment Scope 5XW82K

Scope Type: Standard Scope 2.0

The Scope comprises all processes and involved resources at the sites defined below that are subject to security requirements from partners in the automotive industry. Involved processes and resources include collection of information, storage of information and processing of information.

TISAX® Assessment Objectives

Information with Very High Protection Needs
Data Protection with special categories of personal data
Very High Availability
Strictly Confidential

TISAX® Assessment Information

ASSESSMENT-ID: AP4U05-1
Report Issuance Date: 22.07.2024



This document has been issued by ENX Association and certifies that a TISAX® Assessment has been conducted and has yielded results that can be seen under the ID mentioned below. TISAX® and TISAX® results are not intended for general public and only visible for authorized TISAX® Participants.

enx.com/TISAX/tisaxassessmentresults



My Privacy Hub

Serves as the central platform for privacy governance, connecting Privacy Managers across the organization and enabling collaboration through the broader Data Privacy Network.

The platform supports consistent implementation of data privacy requirements and provides clear, structured procedures to respond to privacy-related queries, as well as to report, investigate, and manage data incidents, should they occur.

Certification and Assurance

ZF Global cybersecurity practices are designed in accordance with recognized standards to address global and European customer requirements. Two of the sites are currently operating under the TISAX framework. The Company also conducts regular cybersecurity, phishing awareness sessions and phishing simulations through its global security team.

Compliance, Monitoring and Risk Management

With regular supervision from the Board during quarterly reporting, the Company conducts cybersecurity and data privacy risk assessments as part of the compliance activities.

Identified risks are documented and reported through established governance channels to enable timely escalation and mitigation.

The Company maintained continuous monitoring of the internal systems and reported no data privacy breaches during the reporting period, reinforcing strong governance and accountability.

Training and Awareness

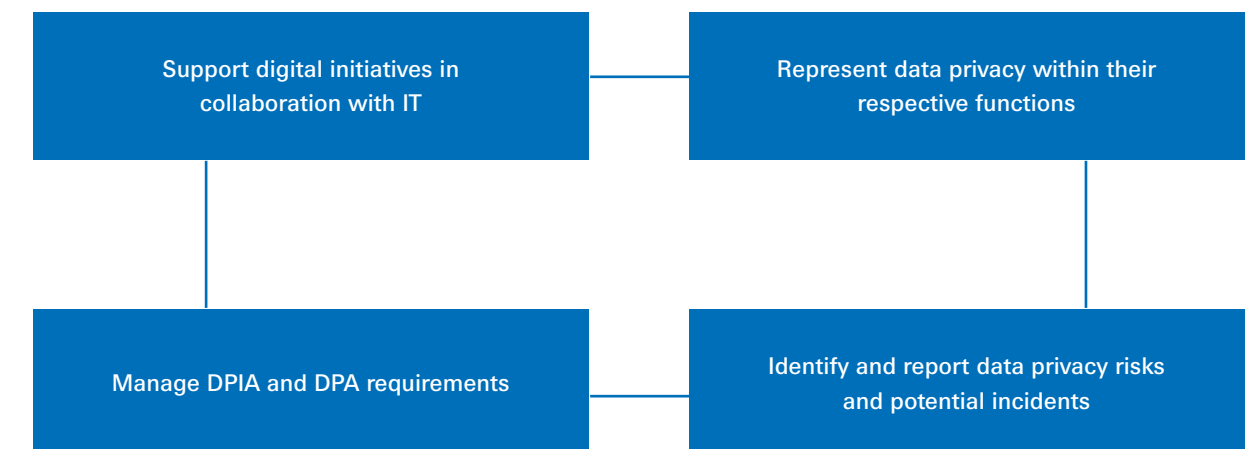
Mandatory training programs include Data Privacy Compliance, Data Processing Agreements, and Privacy by Design principles. Completion of IT-related privacy training is linked to performance evaluations, reinforcing accountability and awareness across the organization.



Case Study: Digital Champion Program

To strengthen cybersecurity and data privacy ownership at the business level, the Company implemented the Digital Champion Program. Digital Champions (also referred to as Digital Officers) are nominated by business teams to support digitalization initiatives and also act as Single Points of Contact (SPOCs) for data privacy matters.

Key Responsibilities



Impact Created

Strengthened functional ownership of data privacy, improved early risk detection, and enabled faster resolution of cybersecurity issues through closer coordination between business teams and IT.

Awards and Recognitions



Engineering Excellence Award

Mr. Ganesamoorthy A was honored by The Institution of Engineers (India) on Engineers' Day.



NIQR National Six Sigma Competition

Won the **Platinum Award** for process excellence and quality.



CII Master Mind TPM National Level Quiz

Secured the **2nd Prize** demonstrating TPM and operational knowledge.



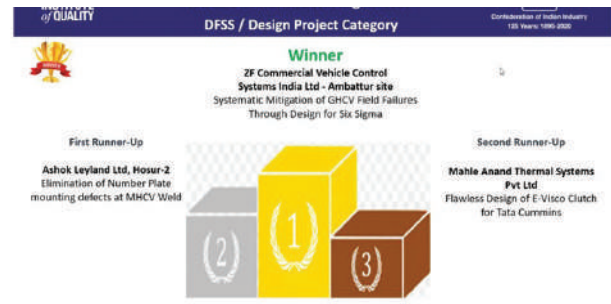
ACMA Regional Level Quiz Competition 2025

Secured **1st and 2nd Prizes**, showcasing strong technical and operational expertise.



Gold award in QCFCI Kaizen Competition

Secured **Gold Award** for the "Lead time reduction in BC validation" project (Chennai Chapter).



CII National Level Six Sigma Competition 2025

Achieved **Platinum Award** for advanced Six Sigma implementation.



ACMA SR 17th Regional Kaizen Contest

Won **1st Prize in the Cost Category** for impactful Kaizen practices.



QCFCI Kaizen Competition

ZF CVCS Team received **Gold Award** for the "Localized Oil Pump with Enhanced Design for e-Comp 2.0" project (Chennai Chapter).

Collaborations

SAVE Value Summit

The Company participated in the SAVE International 2025 Value Summit, hosted by the Indian Value Engineering Society (INVEST).

The summit brought together global industry leaders, policymakers, academia, and the Value Engineering community to share best practices, case studies, and innovative applications of Value Methodology.

BAJA SAE India

The Company was represented at BAJA SAEINDIA, where a senior member participated as a panellist and delivered a session on the "Future of ADAS and Autonomous Mobility in India." The engagement provided a platform to share industry perspectives, contribute to academia-industry dialogue, and reinforce the Company's thought leadership in advanced mobility technologies.

IIT Madras

A senior representative participated as a panelist at the Auto Leadership Conference, sharing insights on emerging automotive technologies, digital vehicle platforms, smart manufacturing, and the future of mobility and battery technologies in India.

VIT

The collaboration supports capability building by providing students and researchers exposure to the Company's advanced commercial vehicle control technologies. It also enables joint research and development initiatives across manufacturing and automotive engineering domains.

SRM

Co-development of advanced automotive and manufacturing technologies, including a solar-powered e-shuttle developed with SRM Institute of Science and Technology (SRMIST) to support sustainable mobility solutions.

Way Forward

Going forward, the Company will continue to advance the engineering and innovation capabilities to support evolving customer needs and market transitions. The efforts will focus on strengthening research and development across advanced vehicle technologies like vehicle motion control, integrated safety, automated driving and electrification leveraging software and digitalization,

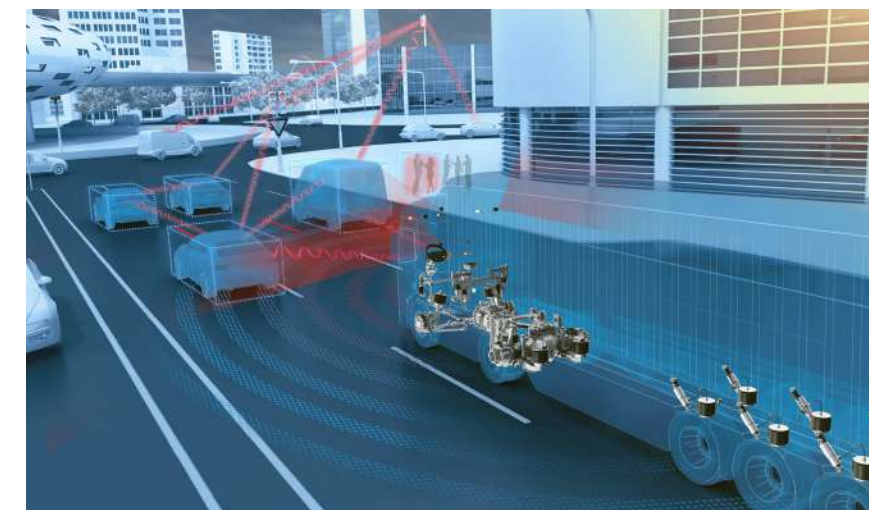
enabling scalable solutions across ICE and EV platforms. A strong pipeline of product innovation will remain central to translating customer requirements and regulatory developments into differentiated high performance offerings.

Innovation will be further embedded across product design and operations through mass and

material optimization, circular design principles, energy-efficient processes, and targeted carbon reduction initiatives. Building on successful internal projects and sustainable product interventions, the Company aims to enhance efficiency, reduce environmental impact, and improve lifecycle performance.

The Company will continue to deepen customer centricity through collaboration, co-development, and timely deployment of future-ready technologies, while fostering a culture that encourages technical excellence, Simulation, lab- and vehicle-level validation, and continuous improvement.

Further, by strengthening digital capabilities, data-driven making, and robust IT and cybersecurity practices, the Company is positioning itself to deliver reliable, resilient, and competitive solutions that create long-term value for customers and support sustained business growth.





HUMAN CAPITAL

Key Highlights FY 2025-26

ZERO Unresolved POSH cases	ZERO Major industrial disputes reported	ZERO Labor law related compliance issues identified	15.5% Females in workforce
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Across all the facilities of the Company

BRSR Principles Addressed

Principle 1 Businesses should conduct and govern themselves with integrity	Principle 3 Businesses should respect and promote the well-being of all employees	Principle 5 Businesses should respect and promote human rights	Principle 8 Businesses should promote inclusive growth and equitable development
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Material Topics Addressed



Employee Health
& Safety



Labor Practices
and D&I



Employee Engagement
& Talent Development

GRI Indicators Addressed

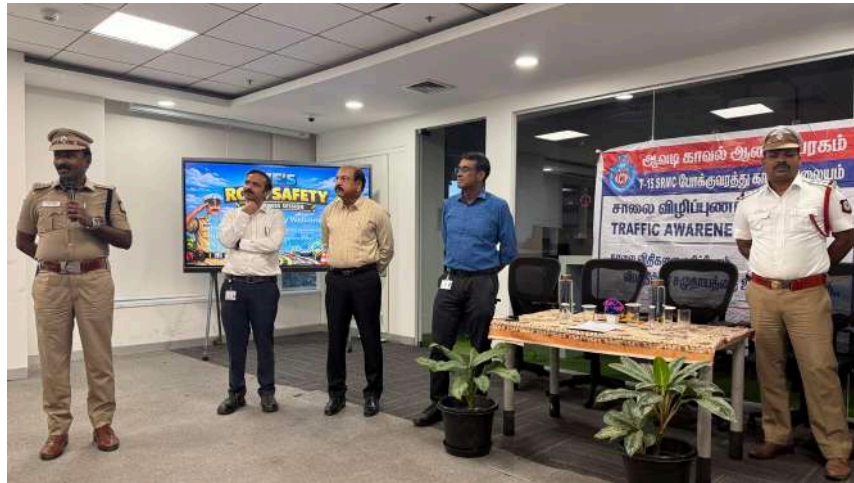
GRI 401-1, 401-2, 403-1, 403-3, 403-5, 403-9, 404-1, 404-2, 405-1

SDGs Impacted



Advancing an Inclusive Culture Anchored in Safety and Skill Building

The Company is building a resilient, inclusive, and future-ready workforce that brings together expertise, adaptability, and purpose to anticipate challenges and create enduring impact in a rapidly evolving ecosystem. The people remain at the heart of this journey, and the Company continues to invest in learning, training and capability building to strengthen the skills required for a technology-led future. Backed by a strong emphasis on safety, well-being and workforce transformation, the human capital approach enhances organizational readiness and supports responsible, long-term value creation.



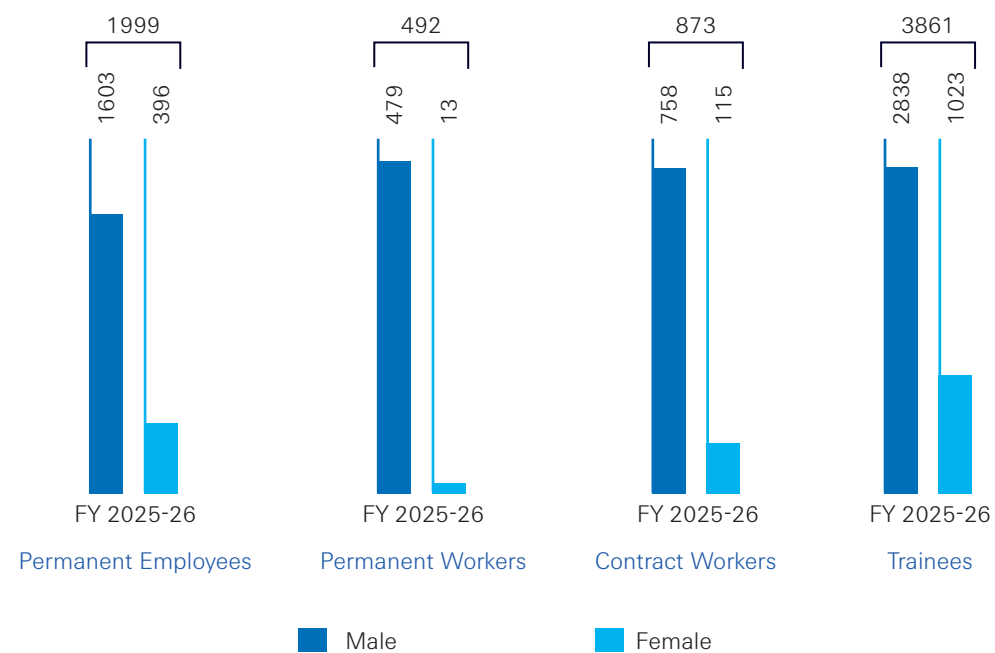
The Company is equally committed to fostering a diverse and inclusive workplace that values varied perspectives and provides equitable opportunities for all, including differently-abled employees, thereby strengthening both organizational culture and innovation.

The Company believes that a progressive workplace is built on trust, dialogue and mutual respect.

Through regular and structured engagement with recognized unions, the Company addresses workplace matters proactively and constructively. Supported by 100% statutory compliance, this collaborative approach strengthens industrial harmony, enables timely resolution of concerns and fosters a stable, respectful and inclusive work environment.

Our Workforce

The Company positions sustainable human capital management as a cornerstone of long-term value creation by nurturing skilled, engaged and future-ready workforce. Through continuous investment in capability development, well-being, inclusion and responsible people practices the Company is strengthening organizational resilience and enabling sustained growth.



Worker and employee definition does not constitute apprentices/trainees. Hence the same has not been included in the above figures.

Promoting Diversity and Equal Opportunity



The Company continues to make steady progress in improving gender diversity across its facilities, reflecting a strong commitment to building a more inclusive and balanced workplace. This effort is further supported by the presence of two all-women production cells, underscoring the focus on creating greater opportunities for women across operations.

Breaking traditional role stereotypes and advancing a culture of inclusion, the Oragadam plant achieved 84% women in direct hiring in FY 2025-26 and sustained an impressive 82% representation of women in direct manufacturing roles, demonstrating significant progress toward gender-balanced operations.

Case Study: Empowering women through connection and inclusion

ZF CVCS Women's Circle



Leadership Engagement

The launch featured an introduction to the forum's purpose and format, along with interactive activities and open conversations. The participants responded with genuine enthusiasm and a strong willingness to connect, support one another, and shape the future of the platform together. The energy and motivation throughout the event were clearly visible, both in person and virtually.

Voices That Inspire: Quarterly dialogues with external thought leaders



Ms. Indhu S. Menon, General Manager – HR, Isuzu Motors, delivered an engaging session on “Why Supporting Each Other Is Important?”, fostering meaningful dialogue on inclusion and collaboration among women employees.



Ms. Priya R., Divisional Service Head, Cummins – Southern, addressed the team on the theme “Inspire Each Other,” reinforcing a culture of encouragement, and mutual support.

Inclusive and Accessible Workplace

The Company is committed to fostering an inclusive and accessible workplace that provides equal and fair opportunities for all employees, including persons with disabilities. It is continuously assessing and enhancing the infrastructure to ensure the premises are barrier-free, with necessary modifications aligned with safety regulations and emergency response requirements. Guided by a culture of respect and equity, the Company promotes unbiased hiring practices and upholds inclusivity across all communities. Reflecting this commitment, zero violations related to discrimination were reported during FY 2025–26, reinforcing the Company’s dedication to creating a workplace without boundaries.

Employee Turnover and Workforce Stability

A stable, skilled and engaged workforce is a key indicator of organizational health, workforce experience and effectiveness of the current practices. Employee turnover for permanent employees and workers increased by 17% in FY 2025-26, compared to 10% in

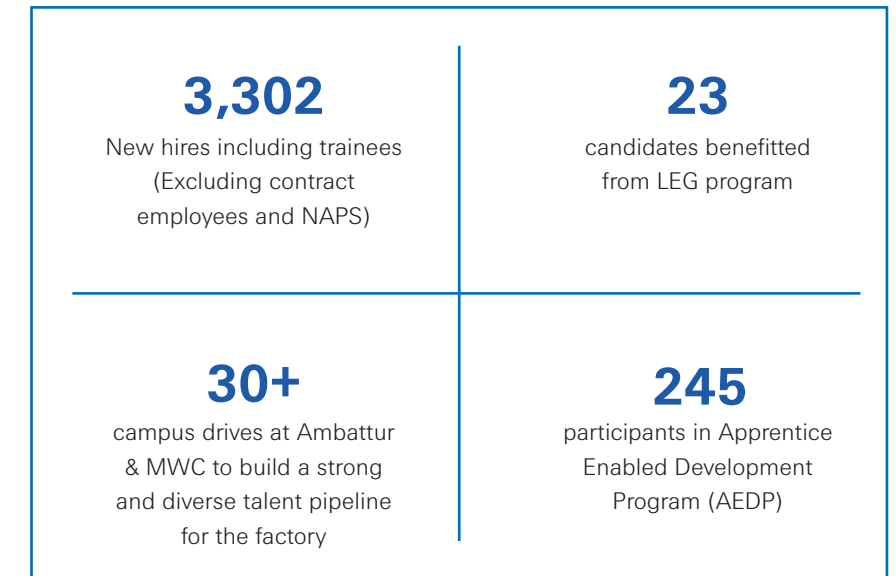
FY 2024-25, reflecting a year of workforce transition and talent realignment. While the current fiscal year represents a temporary rise, the Company is actively strengthening retention through enhanced onboarding and focused skill development to progressively reduce turnover and build long-term workforce stability.

Employee Turnover Rate



Strategic talent onboarding

The Company has actively created employment opportunities for individuals from rural, semi-urban, urban and metropolitan regions, enabling a diverse and representative workforce across operations. A key initiative supporting this effort is the Learn, Earn, Grow (LEG) program, implemented in collaboration with the Tamil Nadu Skill Development Corporation (TNSDC) and Tata Institute of Social Sciences (TISS), which enhances employability through structured skill development.



Internal placement program

As part of the Company’s commitment to career development and internal talent growth, 20% of R&D positions were filled through internal placements under the Internal R&D Talent Program.



Campus hiring program

As part of the Company’s focus on building a sustainable talent pipeline, the organization continues to invest in young talent through a structured Campus Hiring Program, with 15% of total hirings comprising early career professionals.



RediscoverHER

Empowers women professionals to re-enter the workforce after a career break with renewed confidence and vigor. It reflects the Company’s belief that talent should be valued beyond career gaps.

Strengthening Workforce Capabilities through Skill Development

The Company enables employee growth through a comprehensive and inclusive development ecosystem that supports individuals across all stages of their careers. The Company integrates learning and capability building into everyday operations, with a balanced focus on safety, sustainability and technical excellence as the foundation for long-term performance. Through structured development pathways,

blended learning approaches and continuous skill enhancement, it supports the growth of trainees, operators, executives and managers alike. By aligning workforce development with operational excellence, quality improvement and future-ready capabilities, the Company empowers its people to adapt, perform and contribute meaningfully to sustainable organizational growth.

The Company inaugurated a dedicated training area enabling the development of future-ready capabilities by creating a strong platform for continuous learning, technical excellence and skill enhancement, while also supporting workforce diversity, an inclusive culture and sustained organizational growth.

Training Activities

Induction Training
for Newly
Joined Trainees

Knowledge
Enhancement Training
for Trainees/Operators

Talent Development
Training for Executives
and Managers

E-Learning for Executives
and Managers
(MHS Learning)

5,000+

hours of
Industry trainings

60+

Industry standard training
and Certifications

6

focused training sessions
on Inclusive Leadership
and Psychological Safety
conducted for 120 leaders
across the organization

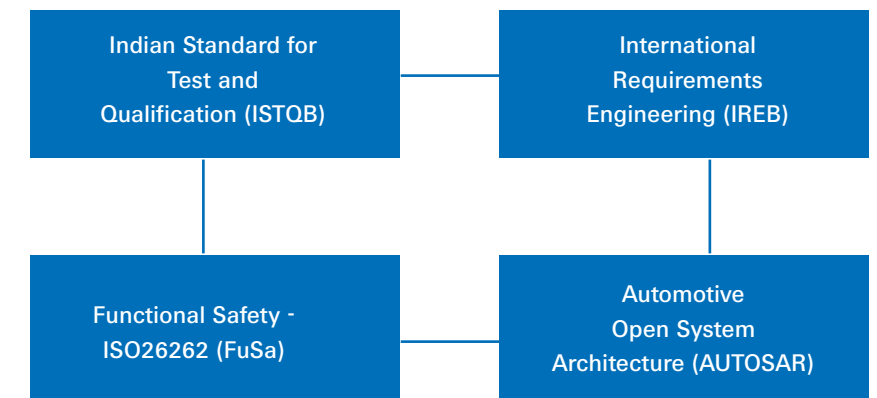


IGNITE: Technical Skill Development Framework

A strong focus has been placed on upskilling R&D talent to ensure seamless continuity, quality and compliance with global automotive and engineering standards. Targeted investments have been made in advanced process and industry-recognized trainings and certifications to strengthen technical depth, deepen system understanding and deliver excellence.

The Company designs learning interventions to strengthen a culture of safety, efficiency and intelligent thinking enabling us to proactively mitigate risks, optimize resources and apply structured problem-solving approaches. This focus supports safe operations, sustainable manufacturing practices and the delivery of intelligent mobility solutions across the organization.

Industry recognized training and certification programs



Different Training Programs



Safety

- Safety Training
- Fire Fighting
- LOTO and its importance on shop floor
- LOTO – its types and 8 steps of LOTO procedure
- Yoga Awareness Session and Unsafe Act



Sustainability

- 8 types of waste
- 5S methodology and workplace management
- Waste Management- Sustainability Awareness Training



Growth

- Importance of Poka-Yoke system in machines
- Problem-solving tool-4M & Control Plan
- Product Knowledge Training
- Quick response & quality control

Learning and Capability Development Initiatives

Cascade Program

A structured skill enhancement initiative implemented for IT colleagues in India, strengthening technical capabilities and role-based competencies. The program enables continuous learning, improved readiness for evolving technologies, and supported sustainable growth through a future-ready IT workforce.

E-learning programs for executives and managers

Designed to strengthen leadership capabilities, strategic thinking and digital readiness, enabling informed decision making and organizational resilience. These continuous learning interventions support sustainable growth by equipping leaders to drive innovation, manage change effectively and align business strategies with long-term organizational goals.

Digital learning platform

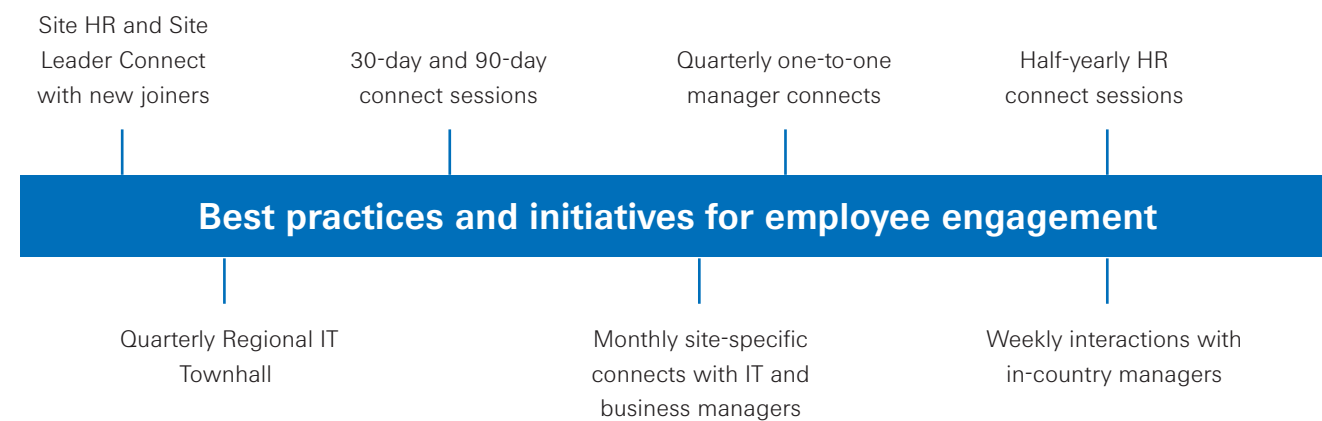
Digital learning environments that allow employees to access training modules on demand, covering technical training, leadership development, and soft skills enhancement.

Internal mobility programs

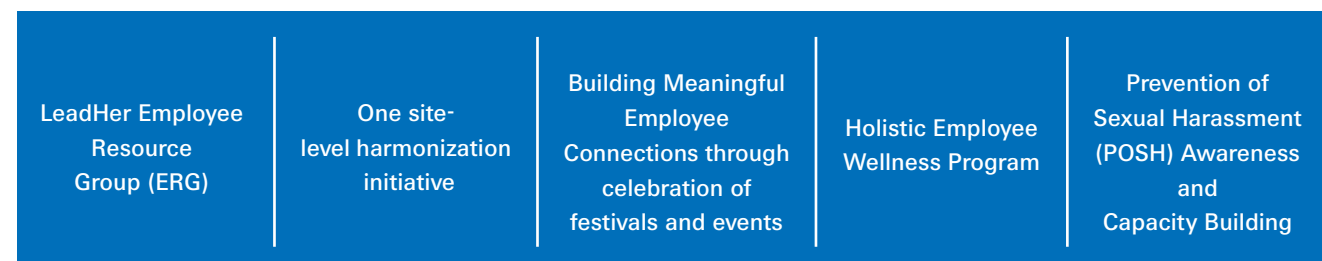
The Company motivates employees to transition into new roles within the Company through structured reskilling pathways, particularly in response to the shift towards electrification and autonomous driving technologies.

Best Practices for Employee Engagement and Communication

The Company has established a structured and inclusive engagement framework to support employee integration, collaboration and continuous communication. A robust onboarding program, including plant visits for new joiners, offers firsthand exposure to operations, culture and safety practices.



The Company fosters a culture of appreciation and high performance through a structured Rewards and Recognition (R&R) framework, implemented across quarterly, half yearly and annual cycles



People First: Care, Security and Voice

Caring for life's every stage

Comprehensive coverage that protects health, family, and peace of mind: Health Insurance, Accident Insurance, Maternity & Paternity Benefits, Day-Care Facility, etc.

Securing the journey beyond

Honoring years of dedication with a robust retirement safety net for both employees and workers including Provident Fund and Gratuity

Every voice heard, every concern resolved

A confidential grievance mechanism empowers our people to raise concerns without fear. Issues are reviewed and resolved through a structured Grievance Redressal Committee supported by employee-representing forum

Employee Engagement

The global "Hello ZF Team!" employee engagement survey, which measures employee connection across key dimensions such as brand, belonging, leadership, inclusivity and empowerment, achieved a strong 81% response rate last year. The survey recorded an average engagement index of 79, providing actionable insights to help build a more participative, motivated and connected workforce.



Occupational Health and Safety: Driving a proactive safety culture across operations

Safety is central to the Company's people and operational initiatives, with a clear emphasis on building awareness, strengthening capabilities, and fostering a proactive safety culture. Through structured safety learning, disciplined processes, and continuous employee engagement, the Company promotes safe behaviors, safeguards the workforce, and supports reliable, high-quality operations across locations. The Company's operations are certified to ISO 45001, reinforcing the commitment to maintaining the highest standards of workplace health and safety.

- Worker LTIFR improved significantly from 0.64 to 0.28, reflecting a reduction of over 50%.
- Recordable injuries among workers decreased from 4 to 3, indicating improved incident prevention and control.

Safety Incident/Number	Category	FY 2024-25	FY 2025-26
Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)	Employee	0	0
	Worker	0.64	0.28
Total recordable work-related injuries	Employee	0	0
	Worker	4	3
No. of fatalities	Employee	0	0
	Worker	0	0
High consequences for work-related injury or ill health (excluding fatalities)	Employee	0	0
	Worker	0	0

- Employee safety performance remained strong, with zero injuries and zero LTIFR recorded during the year.
- Zero fatalities and no high-consequence injuries were reported for both employees and workers across both years.

Overall, these results reflect a positive and sustained improvement in safety performance, strengthening the safety culture and supporting continued progress towards achieving the goal of a zero-accident workplace.

Key initiatives undertaken to strengthen employee health and safety



Build the SHIELD: Strengthening Safety Culture Through Collective Action

As part of the Company's continued commitment to safeguarding people, operations and communities, the Company undertook a series of focused Environment, Health and Safety (EHS) initiatives under the theme "Build the SHIELD." Under the "Build the Shield" initiative, the Company strengthened its Environment, Health and Safety culture through focused actions aimed at creating safer, healthier and greener workplaces. The program emphasized improved ergonomics, reduced operator fatigue through AI-led insights, and greater energy and resource efficiency through the 10R principles.

Key Initiative:

Signature campaign for personal commitment, theme-based posters for visibility, and shift-level Toolbox Talks for awareness and accountability

Impact:

Strengthened EHS culture with improved safety practices, higher awareness, better alignment across levels, and more sustainable workplace behaviors



Family Outreach: Extending Safety Beyond the Workplace

The Company reinforced commitment to a holistic safety culture by actively extending health and safety awareness to employees' families through initiatives such as Family Health & Safety Day.

These programs created a platform for engagement across all age groups, combining expert-led awareness sessions on home safety, health, and environmental practices with interactive activities for children and families.

Comprehensive health screening camps further supported early detection and preventive care. By reaching over 650 family members across locations, the Company has strengthened the message that safety and well-being are shared responsibilities that extend beyond the workplace into everyday life.

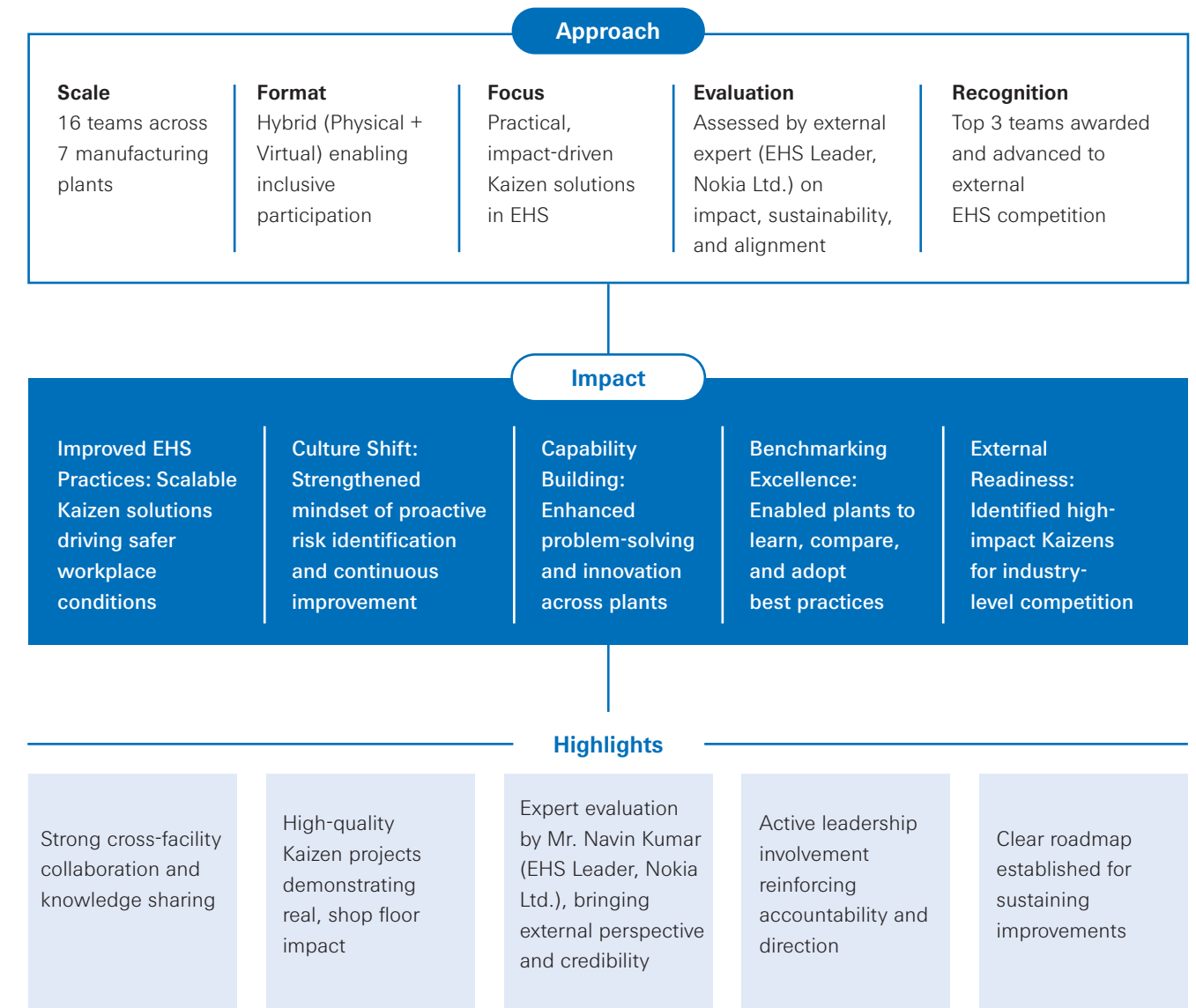


International Yoga Day – Promoting Holistic Well-being

The Company celebrated International Yoga Day across multiple locations with enthusiastic participation, reflecting a focus on promoting both physical and mental well-being. Sessions included guided yoga practices, chair yoga, and specialized modules focusing on posture improvement, stress management, and women's health. Led by certified instructors, these sessions emphasized correct techniques and the long-term benefits of incorporating yoga into daily routines. The strong participation across sites highlighted growing awareness and adoption of holistic wellness practices among employees.

SHIELD Inter Plant Kaizen Competition

Objective: To strengthen EHS (Environment, Health & Safety) culture by fostering continuous improvement, cross-plant learning, and proactive risk reduction through Kaizen initiatives aligned to SHIELD (Safety, Health, Infrastructure, Energy, Leadership & Development).



Health & Wellness Campaign – Encouraging Preventive Care

The Idea

What if fitness wasn't about sports at all?

This campaign redefined well-being by proving that simple daily movements = powerful health outcomes.

The Goal

To build a culture of preventive health by encouraging employees to move more, every day, anywhere, anytime.

The Reach

Across 8+ locations: Chennai, Bangalore, Pune, Jamshedpur, Pantnagar, Coimbatore, Ambattur & MWC

1,000+ employees engaged across tech centres & manufacturing units.

Instead of heavy fitness routines, movements were made simple & accessible:

Stair-use challenges (20 employees/day in Chennai)

Walkathons & Stepathon 2025

Yoga, Zumba & stretch breaks

Awareness drives (~150 employees/day)

Webinars & "Back to Basics" 7-day challenge



Spotlight:

Stepathon 2025

~200 participants

10+ million steps logged

Equivalent to walking around the Earth

Boosted team spirit + healthy competition



What's Next

Launch of Stride Step Counter App

Track steps | Join team challenges | Personalized insights



The Impact

- Shift from "no time for fitness" to "every activity counts"
- Increased daily movement & energy levels
- Stronger preventive health awareness
- Built a sustainable well-being culture

The Company has driven focused and impactful actions to strengthen a safe, inclusive, and responsible workplace across key areas:

Women's Safety in the Workplace

In line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has implemented a robust Anti-Sexual Harassment Policy supported by a duly constituted Internal Complaints Committee (ICC). During FY 2025-26, two cases were reported and addressed in accordance with established policies and procedures, reinforcing commitment to a safe, respectful, and grievance-responsive work environment.

Safeguarding Human Rights Across the Value Chain

The Company is committed to upholding human rights in alignment with globally recognized frameworks, including the UN Guiding Principles on Business and Human Rights, ILO Core Labor Standards, and OECD Guidelines for Multinational Enterprises. The comprehensive Human Rights Policy reflects this commitment. During the year, the Company reported zero cases of forced labor, child labor, or discrimination, underscoring strong adherence across operations.



Freedom of Association and Collective Bargaining

The Company respects and upholds employees' rights to freedom of association and collective bargaining. Transparent communication mechanisms and open engagement platforms are maintained across the organization to foster trust, participation, and constructive dialogue.

Risk Management and Operational Safety

The Company incorporated risk management as a core pillar of its Occupational Health and Safety approach. Using structured methodologies such as Failure Mode and Effects Analysis (FMEA), it

systematically identifies potential failure modes, strengthens preventive and mitigation controls, and enhances integration between machine safety and operational processes. This enables improved risk visibility and supports proactive, informed decision-making.

These efforts are complemented by regular safety audits, risk assessments, and compliance reviews to continuously identify and mitigate potential hazards. The integration of advanced technologies enhances accuracy and responsiveness, while Behavior-Based Safety practices and clear escalation protocols reinforce accountability and safe behaviors across operations.



Awards and Recognitions



Tamil Nadu State Safety Award

Ambattur Plant secured 1st place (Engineering Category) for excellence in safety systems and practices.



ACMA Kaizen Competition (Safety Category)

The Jamshedpur team secured First Prize, delivering a high-impact Kaizen that achieved 100% elimination of identified risks and significant reduction in safety deviations through a sustainable, cost-effective solution.

QCFI SHEEN 2025

All five participating teams from the Company were honoured with the Gold Award among 100+ industry teams, recognizing strong problem-solving, measurable EHS improvements, and excellence in safety, health, energy, and environmental practices.



Way Forward

The Company will continue to focus on building a future-ready, diverse and skilled workforce through continuous learning, inclusive leadership and internal talent development. Safety and well-being will remain fundamental priorities, with a continued emphasis on strengthening a zero-harm culture, enhancing risk management practices, and ensuring safe and inclusive workplaces for all employees. Employee engagement will play a key role in strengthening retention and supporting sustainable long-term growth. These efforts will be further reinforced by creating agile talent ecosystems and leadership pipelines aligned with evolving business and technology priorities.



CII EHS Excellence Awards

ZF CVCS secured four prestigious awards, including Gold (Ambattur) and Silver (Mahindra City), along with special recognitions for EHS in CSR, among leading automotive companies.

SOCIAL AND RELATIONSHIP CAPITAL



Key Highlights FY 2025-26

INR 10.52 Crores Spent on CSR Activities	3 Lakh+ Beneficiaries from CSR Initiatives	500 Saplings planted	100+ Volunteers participated in CSR Activities
16 Indian States positively impacted	36.54% Direct sourcing from MSMEs, powering local enterprises	78.65% Sourcing from within India	

BRSR Principles Addressed

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Principle 2 Businesses should provide goods and services in a manner that is sustainable and safe	Principle 5 Businesses should respect and promote human rights
Principle 6 Businesses should respect and make efforts to protect and restore the environment	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

Material Topics Addressed

Responsible Sourcing	Supply Chain Management	Community Relations
Customer Management	Customer Privacy	Anti-Competitive Behavior

GRI Indicators Addressed

GRI 203, 413, 308-1, 414

SDGs Impacted



Building Pathways for Responsible Mobility and Shared Progress

The Company's strength lies in the relationships it builds with the people who bring its purpose to life every day. Employees, customers, suppliers, and communities are not stakeholders in isolation; they are partners in this journey of progress. The Company's strength lies in the relationships it builds with the people who bring its purpose to life every day, listening closely, acting responsibly, and growing together with trust and mutual respect. Through inclusive workplaces, continuous learning, close customer collaboration and meaningful community engagement, the Company has created an environment where safety, resilience and innovation naturally thrive.

Community Engagement

CSR Governance Framework

The CSR Committee provides strategic direction, oversees project selection and monitors progress to ensure that all initiatives address priority needs of communities around operating locations, with a particular focus on vulnerable groups. It ensures full compliance with the Company's CSR Policy and objectives, including the statutory requirement to allocate



and spend at least 2% of the average net profit on CSR activities. All projects are selected in line with Schedule VII of the Companies Act, 2013, recommended by the CSR Committee and approved by the

Board. The Company carries out the implementation directly under the supervision of an internal executive committee, ensuring transparency, accountability and effective on-ground execution.

CSR Focus Areas

4 Pillar Strategy

Road Safety	Community Development	Skillling	Environmental Sustainability
Vision Achieve zero road accidents, fatalities, and serious injuries by building a safe, responsible, and sustainable ecosystem. Key focus • Safety Culture & Awareness • Driver Training & skills • Safe Infrastructure Expected Outcomes • Reduced accidents and fatalities • Healthier, trained, and accountable drivers • Safer vehicles and road environments Impact A measurable and sustainable move toward Vision Zero nationwide	Vision Enable inclusive and sustainable community development by strengthening rural infrastructure, healthcare, and education. Key focus • Community Upliftment • Healthcare Support • Education infrastructure Support Expected Outcomes • Better access to primary healthcare through strengthened PHCs • Improved learning environments in govt schools and polytechnics Impact Healthier communities, better learning environments and stronger rural infrastructure	Vision Enable employability and workforce readiness by equipping individuals with industry-relevant and future-ready skills Key focus • Industry-Focused Skillling • Centre of excellence • Infrastructure Support Expected Outcomes • Improved employability and job readiness • Linkage between education, training, and employment Impact Increased employability and job readiness among youth and local communities	Vision Promote a cleaner, greener, climate-resilient future by accelerating the adoption of RE, reducing carbon emissions, and protecting natural ecosystems. Key focus • Clean & Renewable Energy • Biodiversity Support • Sustainable Infrastructure Expected Outcomes • Increased adoption of clean and renewable energy • Reduction in carbon emissions • Revitalized water bodies Impact Reduced emissions and increased renewable energy adoption

Road Safety

Contributing to safer roads, responsible behavior and occupational safety

Beneficiaries

- 1,858**
Drivers & Technicians - empowered through Training, Health & Eye Check-ups, and Road Safety awareness initiatives
- 500**
Technicians/Mechanics - provided with Safety Kits



The road safety initiatives focused on promoting responsible driving behavior and strengthening safety across the mobility and service ecosystem through pan India, multi-stakeholder interventions.

As part of the service ecosystem outreach, the Company conducted 30 Road Safety Awareness programs across key transport corridors in collaboration with Authorized Service Centers and Regional Transport Offices, engaging commercial vehicle drivers and technicians on traffic regulations, safe driving practices, and vehicle safety technologies. In parallel, 500 safety toolkits were distributed to technicians to support safer maintenance practices and reduce occupational risks.

Road safety awareness was further reinforced through an organization

wide Road Safety Month, featuring expert-led sessions by local police, toolbox talks, virtual reality driving simulations, and signature campaigns promoting personal accountability. Internal transport safety was strengthened through shuttle vehicle safety audits and breath analyzer monitoring for shuttle drivers.

The initiatives extended beyond the workplace through road safety programs at schools, quiz competitions, and a road safety drawing contest for employees' children, fostering a safety-first mindset among students and families. Collectively, these efforts contributed to safer roads, improved service-level safety standards, and stronger community well-being across regions.

Impact Created

- Improved safety awareness and responsible road behavior
- Enhanced understanding of modern vehicle safety systems
- Safer working conditions for service technicians
- Strengthened collaboration with transport authorities and service partners

Skilling Individuals

Strengthening employability, capability and workforce readiness

Beneficiaries

322

National Apprenticeship Promotion Scheme (NAPS) Trainees

Under the Skilling Individuals pillar, the Company implemented the NAPS Trainee Training Program to build a strong pipeline of industry-ready shop floor professionals. The program follows a structured, modular learning approach that combines classroom instruction, hands-on exposure and simulation-based learning, aligned with organizational values and world-class manufacturing practices.

The training program is designed around a 12-module curriculum integrated with DOJO 2.0, covering workplace safety, manufacturing fundamentals, product knowledge, quality principles and continuous improvement. Learning is reinforced through practical demonstrations and simulated shop floor scenarios to strengthen real-time application of skills.

Impact Created

- Developed a strong foundation in safe working practices, ethics and shop-floor discipline
- Strengthened technical, quality and manufacturing competencies among trainees
- Encouraged ownership, participation and problem-solving behavior
- Built readiness for safe, productive and sustainable manufacturing environments



Community Development Initiatives

Improving access to education, safety and basic healthcare

Beneficiaries

350+

School Children

500+

Residential girl students

1,858

Drivers and Technicians

During FY 2025-26, the community service initiatives focused on improving education infrastructure, safety and basic healthcare access, responding directly to local needs around operational locations.



Upgraded educational infrastructure at a government school in Gamharia, Jamshedpur, by renovating three unsafe school buildings, providing lighting and fans, and improving sanitation facilities through upgraded toilets and water storage.



Enhanced safety at a residential girls' school through the installation of **15 solar streetlights**, improving night-time visibility and security within the campus.



Supported community health by conducting eye check-ups and general health screenings for drivers and mechanics during training programs, enabling early detection of health concerns.



Impact Created

- Improved learning conditions and hygiene for school-going children
- Enhanced safety and well-being for residential students through better illumination
- Promoted preventive healthcare and health awareness within the extended transport community
- Strengthened community trust through need based, locally relevant interventions

Environmental Sustainability

Advancing clean energy, biodiversity and climate responsible action

Beneficiaries

500 trees

Plantation drive at Oragadam (200+ families participated)

Environmental sustainability initiatives this year focused on strengthening renewable energy adoption, improving public safety infrastructure and enhancing green cover, contributing to long-term environmental and social well-being. The following initiatives were undertaken:

- Expanded solar-powered public infrastructure by installing solar traffic signals and high-mast streetlights across Kanchipuram, Chengalpattu, Ambattur, Jamshedpur and Barabanki, improving road illumination and traffic regulation while operating entirely on renewable energy.
- Supported rural and educational infrastructure through the installation of solar streetlights in

Dakaulli village and at a residential girls' school in Barabanki, enhancing safety and accessibility for students and local communities.

- Conducted a large-scale tree plantation drive at the Oragadam facility, planting 500 native saplings suited to the local ecosystem, with active participation from employees and their families.
- Enabled sustainable water and energy use through rainwater harvesting and solar-powered irrigation systems to support long-term sapling growth.



Impact Created

- Improved road safety and public illumination using clean, renewable energy
- Reduced dependence on fossil fuels and grid electricity
- Enhanced green cover, biodiversity and local ecological balance
- Strengthened employee and community engagement

Supplier Engagement

The Company engages with suppliers in ways that strengthen responsible operations and support the evolving needs of the mobility ecosystem. Expectations on quality, compliance, and sustainability are shared through regular interactions, assessments, and collaborative reviews.

The sourcing approach also contributes to India's manufacturing landscape, with 36.54% of direct sourcing from MSMEs and small producers and 78.65% sourced locally within India, reinforcing our commitment to Make in India. Through transparent communication, capability-building, and clear ESG-linked requirements, the Company works with suppliers to maintain an ethical, reliable, and future-ready supply base. The key efforts in this direction are mentioned below:



Sustainability in Supplier Selection

The Company follows an ESG-aligned approach that includes structured risk assessments and continuous dialogue to promote transparency around environmental, social, and governance performance. Cross-functional teams work with suppliers to clarify expectations

related to carbon footprint disclosures, sustainability scores, regulatory compliance, and safety and labor standards. Digital tools like the 360° Supplier Monitor and ORCA enhance visibility and support informed engagement and targeted development actions.



Business Partner Code of Conduct

The code outlines the standards the Company expects suppliers to uphold across all operations. Suppliers must review, adopt, and formally confirm compliance as a mandatory requirement for onboarding.

Any violations are promptly communicated for corrective action, and in cases of severe or repeated breaches, the Company reserves the right to terminate the business relationship.



Business Partner Code of Conduct

Edition 2023

Engaging with Customers

The Company places significant emphasis on strong, consistent engagement with the customers to ensure reliable performance and service across the value chain. Safety remains central to this commitment, reflected in zero safety-related product recalls during the year and reinforced through clear communication, training and product information practices. Building on this foundation, our customer engagement approach is structured across three key areas:



Day-to-Day Collaboration

- Dedicated Key Account teams that oversee daily communication, feedback and issue resolution across quality, cost and delivery.
- New product development is supported through weekly technical review meetings with customer program management teams, while commercial topics and negotiations are handled by a commercial excellence team.
- Dedicated Customer relationship managers and support teams are strategically positioned near customer locations to ensure proactive communication and transparent updates on any potential service disruptions.



Customer Information & Support Channels

- Customers are supported through multiple communication channels, including the Company's website, LinkedIn updates, a dedicated customer helpline and monthly product workshops conducted for service partners and distributors.
- Driver Training sessions are regularly conducted to enhance product understanding, promote safe usage and improve overall handling practices
- All products carry clear safety information beyond legal requirements such as bold red warnings on components with heavily compressed springs to prevent injury during handling.



Customer Feedback & Continuous Improvement

- Annual customer satisfaction survey covering relationship management, logistics, quality, innovation, competitiveness and program execution is conducted. Survey insights, combined with operational feedback, help identify improvement opportunities and guide corrective actions.

Way Forward

Looking ahead, the Company will continue to strengthen responsibility by deepening engagement across the Company's ecosystem and embedding impact into the way it operates and collaborates. Our focus will be on creating value that extends beyond business transactions by working closely with customers, partners, vendors, investors and communities to address evolving social needs and shared priorities.

The community development initiatives will be guided by long-term relevance, local context and measurable outcomes, enabling us to contribute meaningfully to societal well-being. Through this approach, the Company aims to build enduring relationships, strengthen trust and contribute to inclusive progress over the long-term.



NATURAL CAPITAL

Key Highlights FY 2025-26

Reduction in ~28% Scope 1 emissions and ~25% Scope 2 emissions (location-based) achieved year-on-year through electrification and renewable energy adoption

~80% renewable electricity share in total electricity consumption, driven by solar deployments

2,617 MWh energy savings potential identified across 51 efficiency initiatives, improving overall energy performance

99.99% waste recovery achieved*, with landfill waste reduced to **1.26 MT**, reflecting strong circularity practices

Gold Award at ESG Summit 2026, recognizing measurable impact, including **237 tCO₂ emissions reduction** and **263,640 kWh energy savings**

* Including waste stock according to the Company's commitment

BRSR Principles Addressed

Principle 6

Businesses should respect and make efforts to protect and restore the environment

GRI Indicators Addressed

GRI 302, 303, 305, 306

Material Topics Addressed



Energy Management



Water Stewardship



Waste Management



Biodiversity & Land Usage



Climate Change Vulnerability



Opportunities in Green Building



Emissions Management

SDGs Impacted



Enabling Sustainable Operations Through Impact-Driven Action

Environmental stewardship is embedded within the way operations are designed, executed, and continuously improved. The approach is not limited to compliance, but extends to systematically reducing environmental intensity while strengthening long-term resource resilience.

During FY 2025-26, efforts were focused on accelerating decarbonization, improving energy efficiency, strengthening water security, and advancing circularity in waste management. These priorities were supported by structured governance mechanisms, proactive monitoring of regulatory developments, and site-level accountability across operations.



Food waste reduction campaign

Energy Management

The Company recognizes climate change as one of the most critical challenges of its time and addressing it through improved energy efficiency and reduced energy consumption remains a top priority. Its continuous focus on enhancing energy efficiency has yielded measurable progress, supported by a significant increase in the adoption of renewable energy across the operations. During the current fiscal year, renewable energy share has grown further, driven by expanded solar energy installations and procurement initiatives.

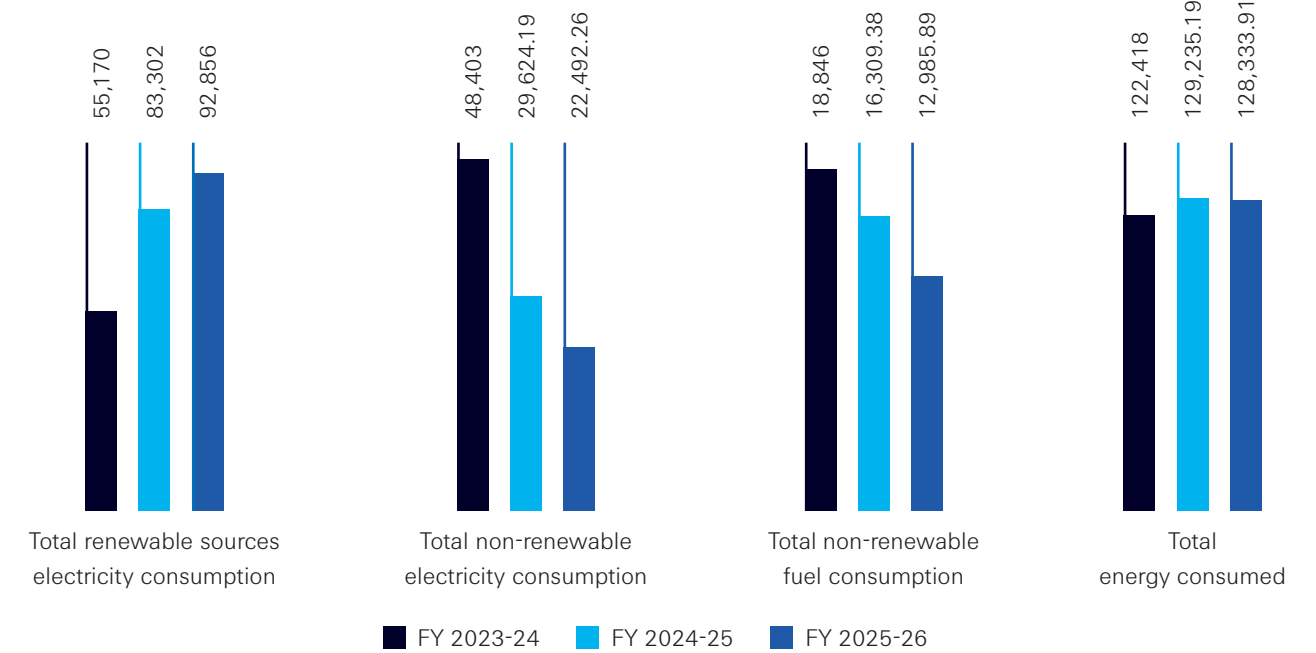
In line with its commitment to operational excellence, the Company has achieved a reduction in energy intensity during the year, building upon previous improvements. This reflects a structured approach toward optimizing processes, deploying energy-efficient technologies, and driving behavioral change across facilities.



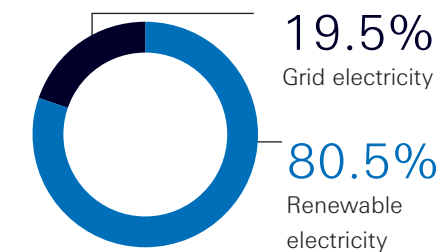
EC fan installation at AHU

Performance Overview FY 2025-26

Energy Consumption (GJ)



Electricity Utilization Mix (%)



The Company is actively working to reduce our dependence on fossil fuels and conventional grid energy. Continuous efforts have enabled us to significantly increase our reliance on renewable energy sources, strengthening energy resilience and supporting our transition toward a low-carbon and sustainable energy mix.

RE Certificates Purchased in FY 2025-26

Category	No. of certificates
Total	28,793
long-term contract - PPA	14952
IREC purchase	13841

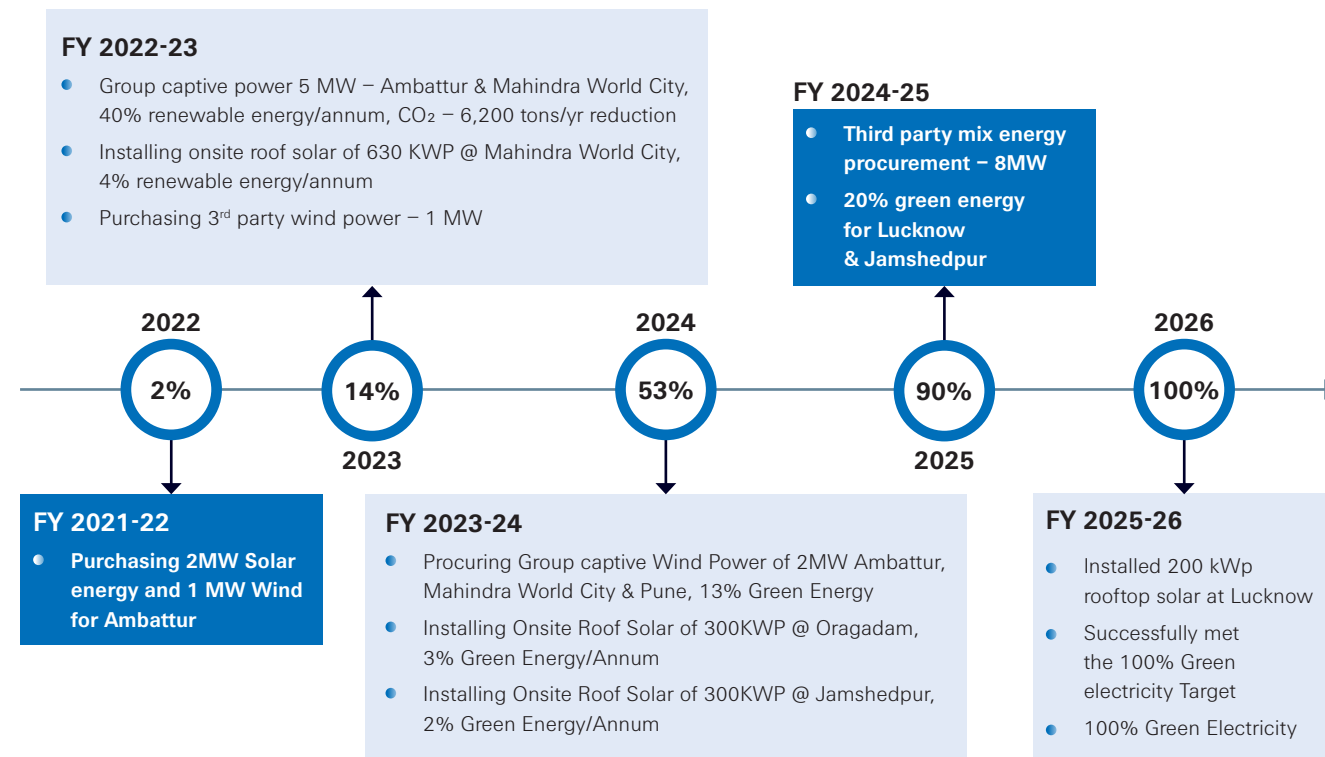
Renewable Energy Initiatives

With a clear focus on sustainability and strengthening the clean energy transition, the Company is expanding its use of renewable energy across operations. These efforts are supporting a greater share of renewable energy in its overall energy mix.



Group captive solar initiative

Milestones Achieved: 100% Green Electricity used in FY 2025–26



Renewable Energy Roadmap

In FY 2025–26, the Company achieved a significant sustainability milestone by transitioning to 100% green electricity across operations, reinforcing the commitment to a low-carbon future. This achievement has been driven through a balanced and strategic energy sourcing approach:

- 80% of its green electricity consumption has been enabled through on-site and off-site renewable energy procurement, reflecting its focus on building long-term, sustainable energy infrastructure.
 - The remaining 20% has been fulfilled through the purchase of green energy certificates, ensuring complete coverage while maintaining operational continuity.
- Together, this integrated approach demonstrates its ability to combine direct action with market mechanisms, accelerating its journey toward climate neutrality.

Energy Efficiency Initiatives

During the reporting year, the Company continued its focused efforts on improving operational energy efficiency through a structured, cross-functional energy management approach. A total of 51 energy-efficiency projects were identified and implemented across facilities, targeting key energy-intensive systems. These initiatives delivered a cumulative annual energy saving potential of 2,617 MWh, contributing to reduced operational costs and lower environmental impact.

Key Initiatives Undertaken



HVAC System Optimization

- Upgradation of Air Handling Units (AHUs) with high-efficiency Electronically Commutated (EC) fans
- Enhanced part-load efficiency and reduced specific fan power consumption



Chiller System Efficiency Improvement

- Optimization of secondary chilled water pumping systems
- Implementation of variable flow mechanisms and hydraulic balancing to reduce pumping energy



Process Equipment Optimization

- Installation of Variable Frequency Drives (VFDs) on honing machines
- Enabled real-time speed control and reduced idle/partial load energy consumption



Electrification of Heating Systems

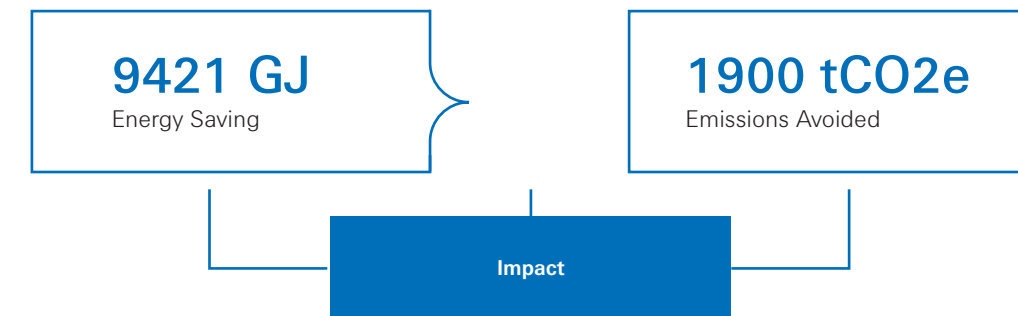
- Deployment of 10 high-efficiency heat pumps for washing applications
- Replacement of conventional heating systems, significantly improving thermal efficiency (COP >3)



Utility System Optimization

- Compressed air system pressure optimization
- Reduction in leakage losses and artificial demand, improving compressor efficiency

The implementation of these projects reflects the Company's continued commitment toward driving energy efficiency, reducing carbon footprint, and improving operational resilience. Going forward, the organization will continue to expand such initiatives, with a focus on advanced technologies, renewable integration, and digital energy management systems.



Emission Management

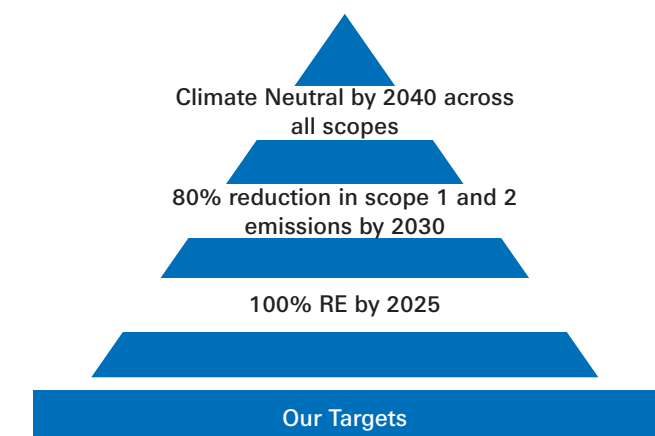
The Company has established a structured decarbonization strategy with defined targets to reduce greenhouse gas emissions across its operations and value chain. The approach focuses on three key levers: process electrification (Scope 1), transition to renewable energy (Scope 2), and enhanced emissions transparency (Scope 3).

During the year, the Company advanced its efforts by replacing fossil fuel-based systems with electrical alternatives, scaling the use of renewable energy through on-site and off-site solutions, and strengthening digital carbon monitoring capabilities. These initiatives have contributed to a measurable reduction in emissions intensity while improving visibility and control over emissions data. Additionally, the Company has initiated efforts to map and manage Scope 3 emissions, laying the foundation for value chain decarbonization and long-term climate alignment.

Decarbonization Strategy

The Company's decarbonization strategy is anchored in its long-term ambition to achieve climate neutrality by 2040 across all scopes, supported by clearly defined interim milestones and a structured transition roadmap. The Company has committed to reducing Scope 1 and Scope 2 CO₂ emissions by 80% by 2030 (against a 2019 baseline) through increased adoption of green energy, electrification of processes, and continuous efficiency improvements. In parallel, the Company is advancing efforts to address Scope 3 emissions across its upstream value chain and product use by 2040, recognizing the importance of value chain engagement in achieving a low-carbon future.

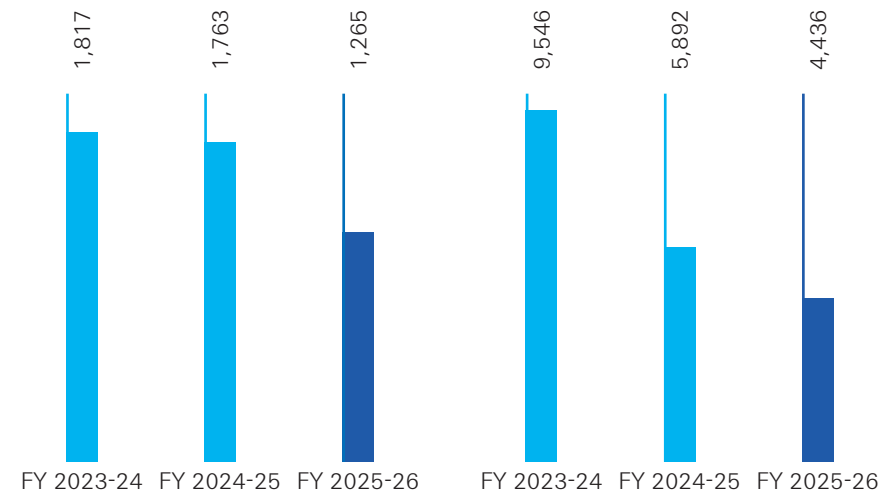
This strategy is driven by a combination of technology transformation, infrastructure modernisation, and data-led decision-making, enabling a systematic reduction in carbon intensity while strengthening operational resilience.



Performance Overview FY 2025-26

Scope 1 (in MT)

Scope 2 (in MT)



28% decrease in Scope 1 from previous year

25% decrease in Scope 2 (location based) from previous year*

*Considering our procurements of IRECs, our scope 2 market-based emissions are 0 during the reporting period.

603.15

Diesel

166.19

Petrol

2.30

LPG

493.71

Fugitive Emission

Scope 3 (tCO₂e)

Scope 3 Category	Total Emissions (tCO ₂ e)
Category 1 Purchased Goods and Services	1,05,884.56
Category 3 Fuel and Energy related activities	3,648.67
Category 4 Upstream transportation and distribution	4,109.83
Category 5 Waste Generated in Operations	37.01
Category 6 Business Travel	139.02
Category 9 Downstream transportation and distribution	3,071.68
Total for FY 2025-26	1,16,890.77

Other Air Emissions

Emission Category (mg/nm ²)	FY 2025-26
Nox	0.78
Sox	BDL
PM	0.012

Key Enablers for FY 2025-26

A. Scope 1 Emission Reduction Initiative: Process Electrification

As part of the decarbonization journey toward achieving an 80% reduction in Scope 1 emissions by 2030, the Company is phasing out fossil fuel-based systems and transitioning to cleaner, electrified alternatives. A key focus area is the electrification of thermal processes, including canteen operations.

At the Mahindra City site, diesel- and LPG-based systems were replaced with a high-efficiency electrical steam induction system. Leveraging learnings from similar implementations at Ambattur and Oragadam, this transition enabled the complete elimination of fossil fuel use while improving thermal

efficiency, reducing energy losses, and enhancing process reliability.

In addition to environmental benefits, the initiative has improved workplace conditions by eliminating smoke emissions and reducing ambient heat. It also delivers operational advantages such as lower maintenance needs and reduced exposure to fuel price volatility.

This scalable model is being replicated across other facilities, supporting the Company's transition to low-carbon manufacturing and long-term climate commitments.

Impact Created, FY 2025-26

- Elimination of 57.6 KL of diesel annually
- Elimination of 8.7 tonnes of LPG annually
- Reduction of approximately 207 tCO₂e emissions under Scope 1
- Estimated cost savings of ~INR 60 Lakh per annum



Electric Steam Induction system at Mahindra City canteen

B. Scope 2 Emission Reduction – Renewable Energy Transition

The Company accelerates the reduction of indirect (Scope 2) emissions through a strategic shift toward renewable energy adoption, combining both on-site generation and off-site green power sourcing. This approach enables progressive decarbonization of electricity consumption while enhancing energy resilience and reducing dependence on conventional grid power.

Initiatives for FY 2025-26

On-site Renewable Energy Expansion

A 200 kWp rooftop solar plant was commissioned at the Lucknow facility to generate clean electricity on-site and supplement conventional power consumption. The system is designed to integrate seamlessly with daily operations, supporting long-term operational efficiency and sustainability goals.

Performance and Utilization

Following commissioning, the system demonstrated strong and consistent performance throughout the year. Solar energy contributed a meaningful share of the plant's electricity consumption, reaching over 40% during peak months (September) and maintaining stable output despite seasonal variations. This has significantly reduced reliance on grid electricity.

Off-site Renewable Energy Procurement

Approximately 10 million units (kWh) of renewable electricity were sourced through off-site arrangements, further increasing the share of renewable energy in the overall mix and strengthening the Company's clean energy transition.



Solar plant installation at Lucknow facility

C. Scope 3 Enablement – Digital Carbon Management and Value Chain Mapping

The Company is strengthening its decarbonization journey by embedding digital carbon management systems to enhance emissions transparency and enable data-driven decision-making across operations and the value chain.

Key Initiatives and Impact, FY 2025-26

Integrated Carbon Monitoring Platform

Deployment of an in-house platform integrated with SAP systems enables:

- Automated tracking of Scope 1 and Scope 2 emissions
- Standardized and real-time data consolidation across sites
- Improved accuracy and audit readiness of emissions reporting

Enhanced Visibility and Control

The system provides end-to-end visibility across processes and facilities, enabling proactive identification of inefficiencies and emission hotspots.

Data-Driven Decarbonization

Advanced analytics support the identification and prioritization of emission reduction opportunities, improving the effectiveness of sustainability interventions.

Scope 3 Emissions Mapping

The Company has initiated efforts to quantify and map Scope 3 emissions, establishing a baseline for value chain emissions and enabling engagement with suppliers and partners.

Water Management

The Company's approach to water management focuses on ensuring responsible consumption, resource efficiency, and long-term water security. Recognizing water as a critical and shared resource, the Company adopts a structured strategy centred on reducing freshwater dependency, maximizing reuse, and eliminating environmental discharge.

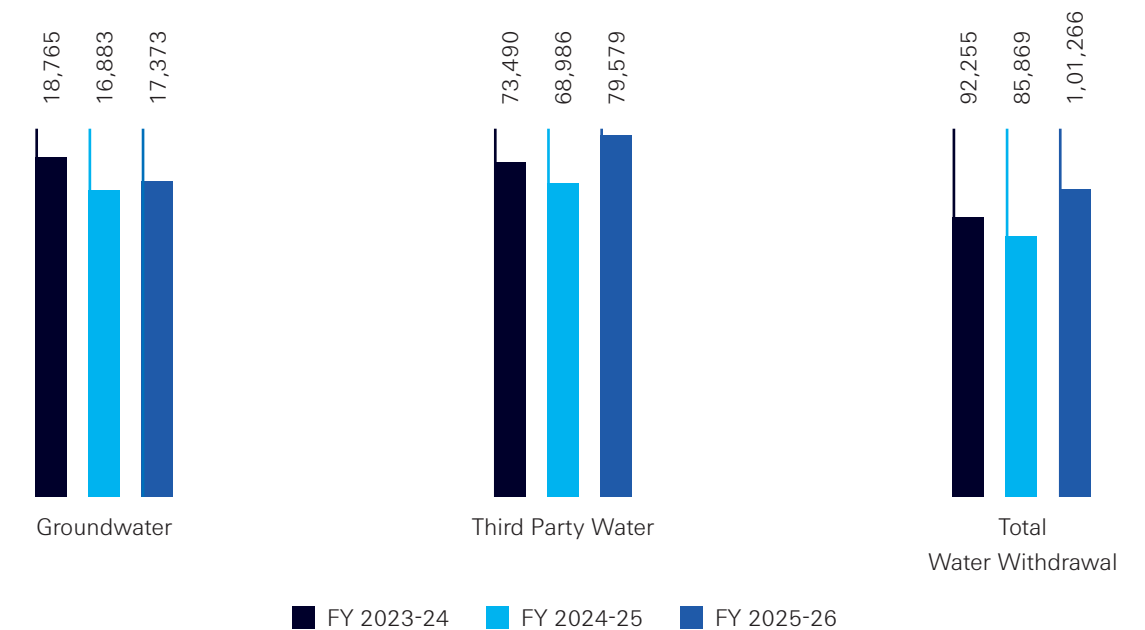
During FY 2025–26, efforts were directed at strengthening water resilience across operations through infrastructure investments, optimisation of treatment processes, and increased recycling and reuse. The implementation of ZLD systems across plants further reinforces the Company's commitment to responsible water stewardship and regulatory compliance.



Water Recycling Plant

Performance Overview FY 2025-26

1. Water Withdrawal (KL)



2. Water Discharged (KL)

All plants are Zero Liquid Discharge (ZLD), hence there is no water discharge

Key Enablers for FY 2025-26

A. Strengthening Water Security through Rainwater Harvesting

To address water security and reduce dependence on external sources, the Company commissioned a 1,200 KL rainwater harvesting pond at its Jamshedpur facility. Designed to capture and utilize rainwater, the system now meets approximately 40% of the plant's annual water requirement, significantly lowering freshwater withdrawal.

Beyond storage, the pond supports natural groundwater recharge, contributing to improved local water availability and long-term sustainability. It also enhances the plant's resilience to seasonal water shortages, ensuring operational continuity during dry periods.

Impact Created

- 40% reduction in dependence on external and groundwater sources
- Improved groundwater levels through recharge
- Enhanced water security and climate resilience
- Reduced environmental footprint through sustainable water use



Leadership team inaugurating the Rainwater Harvesting Pond at the Jamshedpur facility

B. Advancing Water Circularity through Zero Liquid Discharge (ZLD) and Effluent Treatment Plant (ETP) Process Optimization

As part of its commitment to sustainable water management, the Company has implemented ZLD systems across major facilities, ensuring that wastewater is treated, recovered, and reused within operations. At the Surface Protection Unit, further opportunities were identified to enhance efficiency in the ETP, particularly around chemical usage and sludge generation.

The Company adopted a two-pronged approach:

1. Closed-Loop Water Management

- Process wastewater treated through ETPs
- Domestic wastewater reused for gardening and sanitation
- Reject streams managed through evaporation systems
- Enabled complete elimination of untreated discharge

2. ETP Process Optimization

Focused improvements at the Surface Protection Unit:

- Daily monitoring of TDS and pH levels
- Optimization of chemical dosing based on actual requirements
- Streamlined tank cleaning and sludge handling practices
- Improved routing of wastewater to enhance settling and clarification

Impact

Resource Efficiency

- Chemical sludge reduced by 50% (from 10 MT to 5 MT annually)
- Daily sludge reduced from 31 kg to 15 kg
- Optimized chemical consumption and reduced waste generation

Water Sustainability

- Achieved closed-loop water management with zero untreated discharge

- Significant reduction in freshwater dependency through reuse and recycling

Operational & Compliance Benefits

- Improved ETP efficiency and process stability
- Consistent compliance with environmental regulations
- Reduced sludge handling and disposal costs

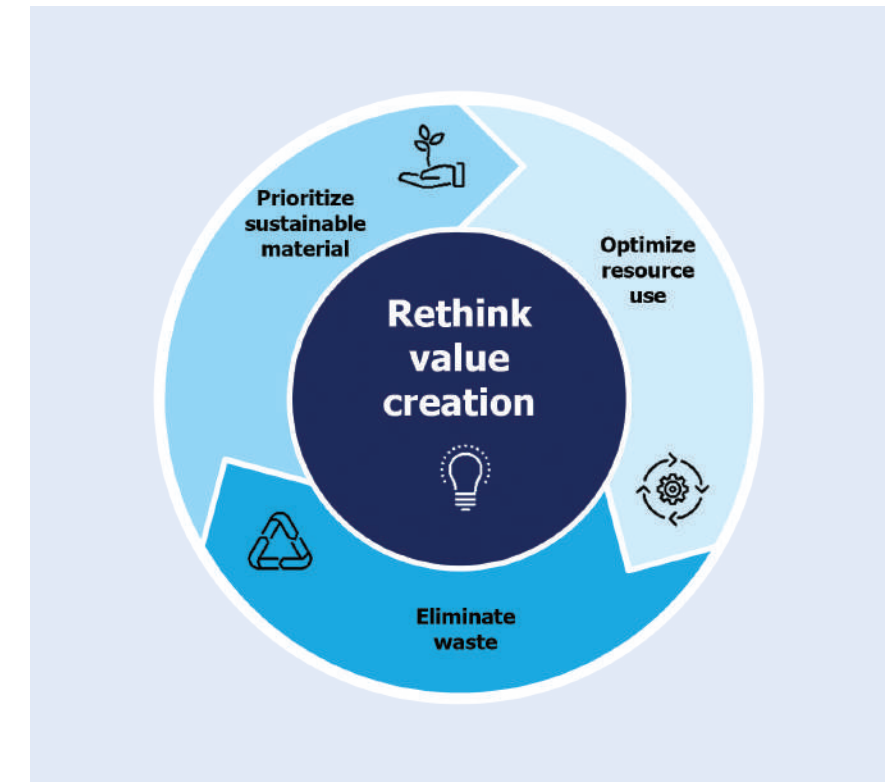
This initiative demonstrates how process optimization combined with ZLD systems can deliver both environmental and business value. The success of this model is driving standardization and replication across other facilities, reinforcing the Company's commitment to water stewardship, circular resource use, and sustainable operations.



Waste Management

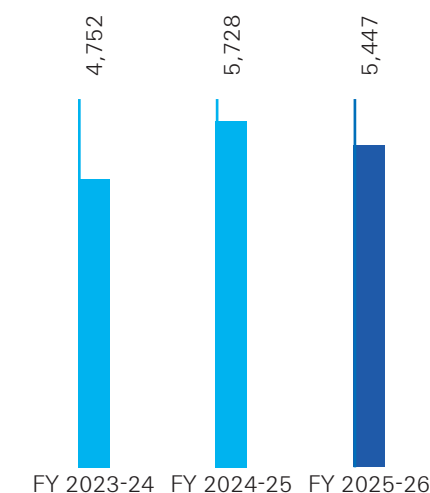
The Company's approach to waste management is centred on maximizing at source, maximizing resource recovery, and progressing towards circularity in operations. The Company prioritizes responsible handling of both hazardous and non-hazardous waste through robust segregation practices, process optimization, and sustainable disposal methods.

During FY 2025-26, efforts were focused on strengthening internal waste management systems, increasing recycling and recovery rates, and reducing dependency on landfill through innovative solutions and partnerships. This approach supports both environmental compliance and the Company's broader objective of reducing its operational footprint.

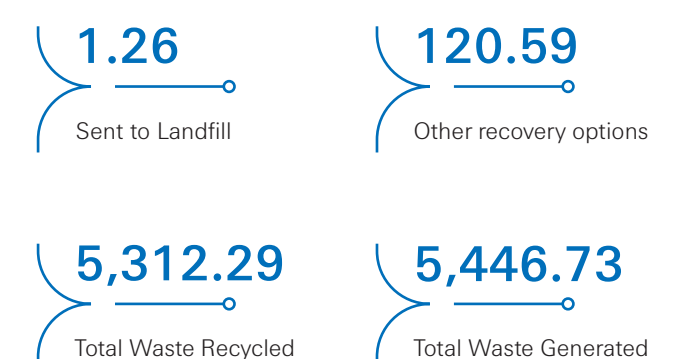


Performance Overview FY 2025-26

1. Total Waste Generated (MT)



2. Waste Diverted in current year (MT)



Waste Categorization

Category	Generation (MT)
Plastic waste	89.24
E-waste	8.19
Bio-medical waste	0.04
Other hazardous waste	134.40
Other non-hazardous waste	5,214.86

Waste generation and intensity have reduced while maintaining high recovery rates and minimal landfill disposal, indicating improved efficiency and circular practices.

Key Enablers for FY 2025-26

Converting Waste to Resource through Organic Waste Converter (OWC) - Ambattur Plant

As part of its commitment to sustainable waste management and circular economy principles, the Company transitioned from externally managed canteen waste disposal to an in-house waste processing system at the Ambattur plant. This shift was driven by the need to reduce environmental impact and improve resource efficiency.

Project Highlights

- Capacity: 250 kg/day
- Technology: Fully automatic, high-efficiency system
- Output: Manure generated within 24 hours
- Input: Canteen food and organic waste

The generated manure is reused for landscaping and green belt development, closing the resource loop.

Impact Created

Waste & Resource Efficiency

- ~250 kg of organic waste processed daily
- 40–50 kg of manure generated per day
- Significant reduction in waste sent to landfills

Environmental Impact

- 100% elimination of transport-related emissions for organic waste disposal
- Reduced methane emissions from landfill-bound waste
- Contribution to circular economy by converting waste into a resource

Operational & Cost Benefits

- Reduced dependency on external waste management services
- Lower waste handling and logistics costs
- Improved on-site resource utilization

Green Campus Development

- Manure used within the facility supports soil enrichment, landscaping, and biodiversity improvement
- Enhances overall campus sustainability and aesthetics



Leadership team inaugurating OWC at Ambattur facility



Biodiversity Management

The Company is committed to preserving and enhancing biodiversity by integrating ecological stewardship into operations, promoting habitat restoration, increasing green cover and supporting ecosystem resilience through targeted conservation initiatives.

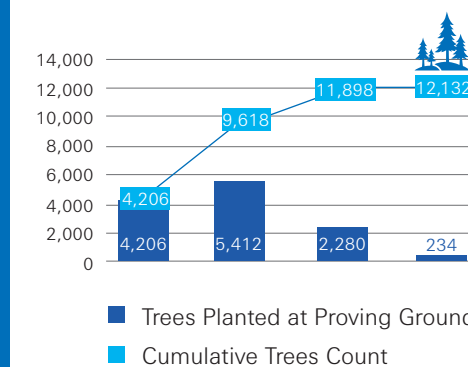
Case Study: Creating Green Corridors at the Proving Ground

As part of the Company's commitment to sustainable operations and ecological stewardship, the Company has developed a thriving green corridor at the proving ground through a sustained, multi-year plantation initiative. Till date, over 12,000 trees have been planted, transforming the site into a growing biodiversity hub while reducing the environmental footprint of testing activities.

Impact

- Enhances carbon sequestration and supports climate goals
- Improves microclimate by reducing heat and dust
- Strengthens local biodiversity and ecosystem health

Trees planted at Proving Ground



Next Year Targets

- Plant 500 additional trees with a focus on native species
- Maintain >90% survival rate through improved care



Tree-Covered Proving Ground

Employee Engagement in Sustainability Initiatives

The commitment to sustainability through the successful celebration of Sustainability Week 2025, engaged employees across all locations under the theme: "See the Impact. Think Long-Term. Act Sustainable."

The initiative focused on building awareness, encouraging behavioral change, and fostering a culture of shared responsibility toward environmental stewardship.

Driving Awareness and Participation

Over 4,300 employees actively participated in the Sustainability Pledge, reaffirming their commitment to sustainable practices

A series of Toolbox Talks were conducted to promote practical actions in energy conservation, waste reduction and recycling, water conservation, minimizing food waste

Encouraging Innovation and Ownership

The Idea Garden Campaign enabled employees to actively contribute sustainability-driven innovations, receiving an enthusiastic response with over 230 ideas submitted across key areas such as energy efficiency, water conservation, and waste management. The top-performing ideas were recognized and celebrated, fostering a culture of employee-led innovation and reinforcing ownership toward sustainability goals.

Learning and Engagement

An Online Sustainability Quiz engaged over 175 employees, promoting awareness through interactive learning while recognizing top performers to reinforce positive engagement and encourage continued participation in sustainability initiatives.



CORPORATE INFORMATION

The Company remains committed to meaningful stakeholder engagement and to further strengthening the communication practices to support longterm value creation.

Shareholders/Investors may address their correspondences to the Company Secretary through the following channels:

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

Investors may further approach Integrated Registry Management Services Private Limited, the Company's Registrar and Share Transfer Agent, for the resolution of any investor-related grievances.

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

Email: 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

V Suresh Associates
Practising Company Secretaries
#28, Ganapathy Colony III Street,
Teynampet, Chennai - 600 018

Cost Auditor

JAYARAM & Associates
Cost Accountants,
5th Floor, No.4, Mookambika Complex,
Lady Desika Road, Mylapore,
Chennai – 600 004

Bankers

1. Citibank N.A.

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

2. BNP Paribas

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

3. State Bank of India

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

4. 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

Statutory Section



Shareholders may communicate with the Company electronically at cvcs.info.india@zf.com

This email address is actively monitored, and shareholders are encouraged to use the channel to raise any queries, concerns, or grievances.

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

FINANCIAL HIGHLIGHTS

(INR in lakhs)

Year ended March 31	2021-22	2022-23	2023-24	2024-25	2025-26
Profit and loss Account					
Revenue from Operations	2,54,335	3,44,459	3,78,371	3,80,409	4,05,548
Other income	3,753	6,701	9,577	10,975	18,583
Total income	2,58,088	3,51,160	3,87,948	3,91,384	4,24,131
Gross profit before Interest, Depreciation & Tax	29,008	53,732	65,891	73,520	81,517
Depreciation & Amortisation	9,243	10,476	10,949	12,270	12,961
Profit before interest & tax	19,764	43,256	54,943	61,250	68,556
Interest	190	567	501	570	529
Profit before taxation	19,574	42,689	54,442	60,680	68,027
Profit after taxation	14,207	31,767	40,478	45,866	50,668
Balance Sheet					
Net Fixed assets	55,592	66,235	75,122	79,216	77,866
Investments (Current)	39,811	10,014	2,329	2,856	60,348
Net current assets (other than Investments)	1,05,811	1,60,341	1,94,489	2,33,235	2,22,939
Non-current assets (other than Fixed assets)	12,607	12,071	15,042	13,810	14,060
Total	2,13,821	2,48,661	2,86,982	3,29,117	3,75,214
Share capital	948	948	948	948	948
Reserves & surplus	2,10,459	2,39,964	2,77,917	3,20,132	3,66,689
Networth	2,11,407	2,40,912	2,78,865	3,21,080	3,67,637
Non-current liabilities	2,414	7,749	8,117	8,037	7,577
Total	2,13,821	2,48,661	2,86,982	3,29,117	3,75,214
EPS (INR)	74.9	167.5	213.4	241.8	267.1
DPS (INR)	12.0	13.0	17.0	19.0	4.0
Book value per share (INR)	1,114.6	1,270.1	1,470.2	1,692.8	1,938.2
Return on capital employed (ROCE)%	9.4	17.6	19.4	18.8	18.55
Return on networth (RONW)%	6.9	14.0	15.6	15.3	14.7
Fixed assets turnover (no. of times)	4.6	5.3	5.2	4.9	5.4
Working Capital turnover (no. of times)	2.4	2.0	1.9	1.6	1.4
Gross profit as % (EBITDA) of sales	11.4	15.6	17.4	19.3	20.1
Gross profit as % of total income	11.2	15.3	17.0	18.8	19.2
Net profit as % of total income	5.6	9.0	10.4	11.7	11.9
Debtors Turnover ratio	4.1	4.8	4.5	3.7	4.0
Inventory Turnover ratio	13.1	15.0	14.7	12.8	10.6
Current ratio	3.9	4.2	4.9	6.0	5.6

- (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 networth plus loan funds.
- (c) RONW is profit after tax divided by average 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 22ND ANNUAL GENERAL MEETING TO THE MEMBERS

NOTICE is hereby given that the 22nd Annual General Meeting of the members of the Company (AGM) will be held on Friday, July 24, 2026 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, 2026 consisting of the balance sheet as at March 31, 2026, the statement of profit and loss, the statement of cash flow and statement of changes in equity for the Financial Year ended March 31, 2026 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 4/- (Rupees four only) per share on equity shares of INR 5/- (Rupees Five only) each fully paid up, be and is hereby declared for the financial year ended March 31, 2026, 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 July 10, 2026 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 and other applicable provisions of the Companies Act, 2013, the Rules made thereunder and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Akash Passey (DIN: 01198068), Chairman

of the Board and Non-Executive Non-Independent Director who retires by rotation at the 22nd Annual General Meeting, being eligible and willing for re-appointment and recommended by the Nomination and Remuneration Committee and the Board of Directors for such re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retirement by rotation.

SPECIAL BUSINESS:

4. 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 4,50,000/- (Rupees Four lakhs Fifty Thousand only) plus applicable taxes and out of pocket expenses at actuals, payable for the financial year ending on March 31, 2027 to M/s. Jayaram & Associates, Cost Accountants, having firm registration number 101077, as fixed by the Board of Directors at the time of their appointment as the Cost Auditor to audit the cost records of the Company for the said financial year, be and is hereby ratified.

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

RESOLVED THAT pursuant to provisions of Sections 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable regulations of the Listing Regulations and based on the recommendation of the Nomination and Remuneration Committee (NRC) Ms. Claudia Christina Jehle (DIN: 11680809) who was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director of the Company with effect from May 4, 2026 by the Board of Directors, and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.



RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By order of the Board
For **ZF Commercial Vehicle Control Systems India Limited**

Paramjit Singh Chadha

Managing Director
(DIN: 06972549)

Lucknow

May 13, 2026

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 13, 2026 and shall be taken as forming part of the Notice.

Item No. 3

Mr. Akash Passey (DIN: 01198068) was appointed as an Additional Director in the category of Non- Executive Non – Independent Director and Chairman of the Board, by the Board through circular resolution passed on May 16, 2024 and appointed w.e.f May 22, 2024 as per section 161 of the Companies Act, 2013 and the appointment was approved by the Shareholders at the 20th Annual General Meeting held on July 22, 2024 and he is liable to retire by rotation.

Additional information on Director recommended for appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable secretarial standards:-

Profile of Mr. Akash Passey

Mr. Akash Passey is the President ZF Group India and Managing Director of ZF India Private Limited. ZF Group is a global technology Company supplying systems for passenger cars, commercial vehicles, and industrial applications. Operating in around 29 countries with €38.8 billion in sales and approximately 1,53,000 employees worldwide, the company is recognized for innovation in driveline, chassis and next-generation mobility technologies.

Mr. Akash leads the Group's growth in one of the fastest growing and most dynamic mobility markets in the world, across all mobility segments including Commercial Vehicles, Passenger Cars, Construction Equipment,

Railways, Mining, Agriculture, Marine and Wind Power. With over three decades of experience in global automotive and mobility ecosystem, Mr. Akash is setting ZF Group in the region on the fast track to growth with a vision closely aligned with ZF Group globally and rooted in the market requirements of an emerging market.

Mr. Akash is driving strategic growth, operational transformation, and technology-focused mobility solutions across the region. His vision for a future-ready talent and strong appreciation for innovation have positioned the company as a highly visible brand and sustainable long-term business growth path.

Before joining ZF Group, Mr. Akash was a part of the Volvo Bus Executive Management Team and as the Senior Vice President at Volvo Bus Corporation, he led business performance across the Asia Pacific, Africa, the Middle East, CIS countries, China and India.

Mr. Akash's international leadership experience has been one of the defining strengths of his career. His deep exposure to both mature and developing markets has shaped his strategic understanding of mobility needs, customer expectations, and technology enablement. This global perspective continues to guide his focus on scalable innovation, digital transformation, and sustainable transportation solutions.

Mr. Akash is increasing the ZF Group visibility in India with an active role in shaping industry dialogue and policy. Akash is associated with the Indo-German Chamber of Commerce (IGCC), the Confederation of Indian Industry (CII), the Automotive Component Manufacturers Association of India (ACMA) and several other trade bodies that support the advancement of the mobility and industrial technology sector. His contributions strengthen collaboration among industry players and help accelerate the adoption of future-ready, safe, and efficient mobility systems.

Mr. Akash Passey

Age	58
DIN	01198068
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.3 of this Notice read with statement pursuant to Section 102 of the Act.
Date of first appointment on Board	May 22, 2024
Details of remuneration last drawn (FY 2025-26)	Not applicable
No. of Board Meetings attended during FY 2025-26	5
Remuneration proposed to be paid	Not applicable. Sitting fee is not payable, since waived
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)	Private companies: ZF India Private Limited ZF Rane Automotive India Private Limited ZF Lifetec Rane Automotive India Private Limited ZF Wind Power Coimbatore Private Limited
Membership/Chairmanship of Committees in other Companies	Nil
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	Please refer the profile

Item No. 4

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 13, 2026, considered, and approved the appointment of M/s. Jayaram & Associates, Cost Accountants, Chennai, as Cost Auditor for the financial year 2026-27 at a remuneration of INR 4,50,000/- 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. Jayaram & Associates, is required to be ratified by the Members at the forthcoming annual general meeting. Hence, the resolution is being proposed as Item No.4 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 ordinary resolution be approved by the Members.

Item No. 5

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors through circular resolution passed on April 27, 2026 have approved the appointment of Ms. Claudia Christina Jehle (DIN: 11680809) as an Additional Director in the capacity of Non-Executive Non-Independent Director w.e.f. May 4, 2026, subject to the approval of the shareholders.

The Company has received the following disclosures / declaration / details / confirmations from Ms. Claudia Christina Jehle:

- 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 she is not disqualified for appointment as a director of the company under sub-section (2) of Section 164 of the Act.
- Details of Committee Memberships/Chairmanships in other Companies.
- Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018,

that she has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority

The Company has also received a Notice from a Member under Section 160 of the Act, proposing the candidature of Ms. Claudia Christina Jehle (DIN: 11680809), for the office of Director of the Company.

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

All material documents referred to in the Notice and Explanatory Statement will be available for inspection without any fee for the members at the Company's registered office during normal business hours on working days from the date of dispatch of the notice up to the last date of voting, i.e., July 23, 2026 (Thursday).

Except Ms. Claudia Christina Jehle, 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.5 of this notice.

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

Additional information on Director recommended for appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable secretarial standards:-

Profile of Ms. Claudia Christina Jehle

Ms. Claudia Christina Jehle is a seasoned finance leader with over three decades of experience across global manufacturing and technology-driven organizations and currently serves as the Chief Financial Officer (CFO) of the Commercial Vehicle Solutions (CVS) Division of the ZF Group, a position she has held since January 1, 2026. She holds a Diploma in Business Administration from the University of Cooperative Education, Ravensburg, Germany, and an MBA Program from San Jose State University, California, USA.

Over her career at ZF Friedrichshafen AG, she has held several senior leadership roles, including CFO positions across multiple divisions, where she led finance, controlling, IT, and process management functions, successfully executed business consolidations, and strengthened financial governance.

Her extensive financial expertise, strategic insight, and global leadership experience are expected to add significant value to the Company and enhance the Board's overall effectiveness and governance.

Ms. Claudia Christina Jehle

Age	57
DIN	11680809
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.5 of this Notice read with statement pursuant to Section 102 of the Act.
Date of first appointment on Board	May 4, 2026
Details of remuneration last drawn (FY 2025-26)	Not applicable
No. of Board Meetings attended during FY 2026-27 (upto the date of this Notice)	One
Remuneration proposed to be paid	Not applicable. Sitting fee is not payable, since waived
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)	Private companies: ZF CV Control Systems Manufacturing India Private Limited
Membership/Chairmanship of Committees in other Companies	Nil
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 she meets such requirements	Please refer the profile

By order of the Board
For **ZF Commercial Vehicle Control Systems India Limited**

Lucknow
May 13, 2026

Paramjit Singh Chadha
Managing Director
(DIN: 06972549)

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

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 second AGM, as set out in the notice convening the meeting, is annexed hereto.
3. 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 Corporate are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-Voting.
4. Members holding shares as on the "cut-off date" viz., July 17, 2026 (Friday) 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.
5. 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 July 17, 2026 (Friday).
6. The Remote e-Voting period **commences on July 21, 2026 (9:00 hrs. IST) and ends on July 23, 2026 (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 July 17, 2026 (Friday), 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.
7. 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 of July 17, 2026 (Friday) 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.
8. 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.
9. Members as on the cut-off date viz July 17, 2026 (Friday), 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.
10. 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.
11. 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.
12. 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.
13. 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.

14. 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.
15. 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 4,58,672 (Rupees Four Lakhs Fifty Eight Thousand Six Hundred and Seventy Two only) being unclaimed/unpaid dividend of the Company for the financial year ended March 31, 2018 was transferred in September 2025 to IEPF.
- The Company paid to IEPF an amount of INR 9,73,523 (INR Nine Lakhs Seventy-Three Thousand Five Hundred Twenty-Three Only) on August 2025, towards dividend for the financial year ended March 31, 2025 on such Shares which were transferred to IEPF.
- The Company had transferred 1,777 shares to the Investor Education and Protection Fund Authority (IEPF) in the month of September 2025. 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, 2025 on the website of IEPF viz., www.iepf.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 2018-19. 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.
16. Section 124(6) was notified on September 5, 2016 along with the relevant rules therein on September 5, 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, (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

17. 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.
18. 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.

19. 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 4, 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).
20. 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
21. 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.
22. 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.
23. 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

24. 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 22nd 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 9, 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 use 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.

Type of shareholders	Login Method
	3. 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. 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 139903 then user ID is 139903001 ***

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 authorized signatory(ies) who are authorized to vote, to the Scrutinizer 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 Beneficiary 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 9, 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 July 22, 2026 by 15:00 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.
25. 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.

26. 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.
27. 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).
28. Mr. G Karthikeyan, Practicing Company Secretary (Membership No. A19411 CP No. 21869), Partner, M/s. RSGK & Associates, Practicing Company Secretaries, Chennai has been appointed as the Scrutinizer to scrutinize 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.
29. The Scrutinizer 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 scrutinizer'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 authorized 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 Scrutinizer'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 authorized by him and simultaneously communicated to the stock exchanges where the shares of the Company are listed.

30. Pursuant to the Circulars issued by MCA and SEBI, owing to the difficulties involved in dispatching of physical copies, the Notice of the Twenty-second AGM and the Annual Report for the financial year ended March 31, 2026, 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).
31. 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.

By order of the Board

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

Lucknow
May 13, 2026

Paramjit Singh Chadha
Managing Director
(DIN: 06972549)

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 3rd 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, 2026.

1. FINANCIAL HIGHLIGHTS

(INR in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from Operations	4,05,547.93	3,80,408.92	4,11,894.25	3,83,096.25
Other Income	18,583.44	10,974.90	18,318.96	10,819.72
Total Income	4,24,131.37	3,91,383.82	4,30,213.21	3,93,915.97
Profit before interest depreciation and tax	81,517.00	73,520.17	83,025.80	73,927.53
Finance Costs	528.78	570.47	534.18	570.47
Depreciation & Amortisation	12,961.37	12,270.06	13,179.78	12,425.23
Profit before tax	68,026.85	60,679.64	69,311.84	60,931.83
Provision for taxation (including deferred tax and tax relating to earlier years)	17,359.30	14,813.82	17,597.07	14,858.83
Profit after tax	50,667.55	45,865.82	51,714.77	46,073.00
Other Comprehensive Income / (Loss) for the year net of tax	(506.92)	(426.22)	(506.92)	(426.22)
Total Comprehensive Income for the year Net of Tax	50,160.63	45,439.60	51,207.85	45,646.78

2. DIVIDEND

Based on the Company's performance, the Board of Directors has recommended a dividend of INR 4/- per equity share for the year ended March 31, 2026. The dividend on equity shares if approved by the members would involve a dividend payout ratio post Bonus issue of 8.98% 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 4,58,672 /- (Rupees Four Lakhs Fifty-Eight Thousand Six Hundred and Seventy Two only) being unclaimed Final dividend of the Company for the

financial year ended March 31, 2018 was transferred in September, 2025 to IEPF.

Transfer to reserves

The Standalone closing balance of the retained earnings of the Company for financial year 2025-26, after all appropriation and adjustments was INR 3419.07 crores.

The Board of Directors has decided to retain the entire amount of profit for the FY 2025-26 in the retained earnings.

Bonus Issue

The Board of Directors at their meeting held on May 13, 2026, have recommended Issue of Bonus equity shares in the ratio 5:1 i.e. 5 (five) equity shares of Rs. 5/- each for every 1 (One) fully paid-up equity share of Rs. 5/- each held by the shareholders as on record date i.e., June 24, 2026, subject to the approval of members through Postal Ballot thereby capitalizing a sum not exceeding Rs. 47,41,89,600 out of general reserves of the Company, as may be considered appropriate.

3. PERFORMANCE

During the year 2025-26, the Company achieved a total income of INR 4,241 crores as against INR 3,914 crores in the previous year. The profit before tax was INR 680 crores as against INR 607 crores in the previous year and the Profit after tax was INR 507 crores as against INR 459 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, 2026.

4. CAPITAL EXPENDITURE

Capital expenditure of INR 123.64 crores was incurred during FY 2025-26 as against the planned estimate of INR 190 crores. The unspent capex of INR 35.1 crores is expected to be utilised in the FY 2026-27, primarily due to projects that were scheduled for completion within FY 2025-26, was deferred to FY 2026-27.

Capital Expenditure of INR 185.32 crores is planned for FY 2026-27.

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on March 31, 2026 and as on the date of the report, 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.

Appointment and re-appointment of Directors and KMP

During the year, the following appointment and re-appointment of Directors and KMP were made:

- Appointment of Mr. Paramjit Singh Chadha (DIN 06972549) as Managing Director of the Company with effect from July 01, 2025 to December 31, 2027.
- Re-appointment of Mr. Mahesh Chhabria (DIN 00166049) as an Independent Director of the Company for a second term of five consecutive years from May 16, 2025 to May 15, 2030.
- 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.
- Appointment of Mr. Ivan Brajdic (DIN: 11347495) as an Additional Director (Non-Executive and Non-Independent) with effect from November 5, 2025 and later designated as a Director (Non-Executive and Non-Independent), liable to retire by rotation, subsequent to shareholders' approval on December 18, 2025.

- Appointment of Ms. C V Kavviya as Compliance Officer (Designated as KMP) with effect from March 25, 2026.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Claudia Christina Jehle (DIN: 11680809) as an Additional Director in the capacity of a Non-Executive Director, effective from May 4, 2026. The Company has received a notice in writing from a member under Section 160 of the Act, proposing her candidature for the office of Director. Accordingly, a proposal for the appointment of Ms. Claudia Christina Jehle as a Director, liable to retire by rotation, is included in the Notice of the ensuing AGM for the consideration and approval of the shareholders.

Cessation of Directors and KMP

- Mr. P Kaniappan (DIN 02696192) retired from position of Managing Director of the Company, effective from the close of business hours of June 30, 2025.
- Mr. Philippe Colpron (DIN 08344534), Non-Executive and Non-Independent Director, retired at the 21st AGM held on August 20, 2025, having opted not to offer himself for re-appointment.
- Dr. Christian Oliver Brenneke (DIN: 08344547) resigned as a Non-Executive and Non-Independent, Director, effective from the close of business hours on November 4, 2025.
- Ms. Muthulakshmi resigned as Company Secretary and Compliance officer, effective from the close of business hours on March 24, 2026.
- Dr. Lars Orlik (DIN: 10390472) resigned as a Non-Executive and Non-Independent Director, effective from the close of business hours on April 30, 2026.

The Board placed on record its appreciation for their significant contributions made by these Directors and KMP during their tenure.

Retirement by rotation

In accordance with Article 127 of the Company's Articles of Association, read with Section 152 of the Act, Mr. Akash Passey, (DIN 01198068) Non-Executive Non-Independent Director retires by rotation at the ensuing Annual General Meeting (AGM) and, being eligible, offers himself for re-election. A resolution seeking Shareholders' approval for his re-appointment along with other required details forms part of the Notice of upcoming AGM.

Independent Directors

In terms of Section 149 of the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), Mr. Mahesh Chhabria, Ms. Amrita Verma Chowdhury, Ms. Rashmi Urdhwarshie and Mr. Neeraj Sagar are Independent Directors of the Company as on March 31, 2026 and as on date of the report.

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 (KMP)

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 2025-26 are as follows: -

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

Mr. P Kaniappan - Managing Director (upto close of business hours of June 30, 2025)

Ms. Sweta Agarwal - Chief Financial Officer

Ms. Muthulakshmi M - Company Secretary (upto close of business hours of March 24, 2026)

Ms. C V Kavviya – Compliance Officer (appointed w.e.f. March 25, 2026 & designated as KMP)

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 2025-26 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. V Suresh Associates, a firm of Company Secretaries in Practice (Firm Registration Number: P2016TN053700) have been appointed as secretarial auditors of the Company, by the shareholders, for a term of five consecutive years from the conclusion of 21st Annual General Meeting, up to the conclusion of the 26th Annual General Meeting of the Company to be held in the year 2030, as per the Section 204 of the Companies Act, 2013 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

M/s. V Suresh Associates have carried out Secretarial Audit under the provisions of Section 204 of the Act, for the financial year 2025-26 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.

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 appointment of M/s. Jayaram & Associates, Cost Accountants in Practice (Registration No. 101077) 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, 2027. M/s. Jayaram & Associates, Cost auditor 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 2024-25 has been filed with the Ministry of Corporate Affairs in the prescribed form within due date. The cost audit report for the year 2025-26 will also be filed within the stipulated time.

During the year under review, the Statutory Auditors, Secretarial Auditor and Cost Auditors 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 2025-26. As on the date of report, the Board of Directors have approved investment in Wholly owned subsidiary, by way of subscribing to rights issue of 3,00,00,000 (Three Crore) 0.01% Non-Cumulative

Optionally Convertible Redeemable Preference Shares ("NCOCRPS") of face value Rs.10/- each, issued at par, for an aggregate consideration of Rs.30,00,00,000/- (Rupees Thirty Crores only).

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 WoS has commenced its commercial production in the financial year 2022-23.

During the FY 2025-26, the total income of the WoS was at INR 8,390.44 lakhs as against INR 3,314.30 lakhs in the previous year. The profit before tax was at INR 1,290.40 lakhs as against INR 253.20 lakhs in the previous year and the Profit after tax was INR 1,052.63 lakhs as against INR 208.19 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, 2026. 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 ten whistle blower complaints.

11. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

In accordance with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 1,000 listed entities by market capitalization are mandated to submit a Business Responsibility and Sustainability Report (BRSR). Additionally, the requirement to obtain reasonable assurance for the BRSR Core, a specific subset of key performance indicators (KPIs) across nine Environmental, Social, and Governance (ESG) attributes, is applicable to the top 500 listed entities from FY 2025-26. Based on the average market capitalization for the period from July 1, 2025, to December 31, 2025, the Company was ranked 298th on the BSE and 297th on the NSE. Accordingly, the BRSR and the mandatory Assurance Statement on BRSR Core provided by M/s. SGS India Private Limited form part of this Annual Report.

The 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:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- 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, 2026 and of the profit of the Company for the year ended on that date;
- 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;
- The Directors had prepared the annual accounts on a going concern basis;
- 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
- 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, 2026 will be available on the Company's website at [ZF CV India Investor Relations](#)

13.2 Number of Board Meetings:

The Board of Directors met five times during FY 2025-26. 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, 2026 entered between the Company and M/s. ZF CV Systems Global GmbH, fellow subsidiary of the Company, on March 22, 2025 and the actual transactions for the year ended March 31, 2026 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 2026-27 between the Company and M/s. ZF CV Systems Global GmbH, fellow subsidiary of the Company, was obtained through postal ballot on March 20, 2026.

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 and

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. Paramjit Singh Chadha*, <i>Managing Director (w.e.f July 1, 2025)</i>	13.80	NA
	Mr. P. Kaniappan#, <i>Managing Director (upto June 30, 2025)</i>	35.98	2.08
Non-Executive Directors			
	Mr. Mahesh Chhabria, <i>Independent Director</i>	3.75	10.57
	Mr. Neeraj Sagar, <i>Independent Director</i>	2.34	10.50
	Ms. Amrita Verma Chowdhury, <i>Independent Director</i>	2.75	10.26
	Ms. Rashmi Urdhwareshe, <i>Independent Director</i>	2.58	7.08
Key Managerial Personnel			
	Ms. Sweta Agarwal, <i>Chief Financial Officer</i>	13.29	19.78
	Ms. M. Muthulakshmi@, <i>Company Secretary (upto March 24, 2026)</i>	5.01	33.71
	Ms. C V Kavviya^ <i>Compliance Officer (from March 25, 2026)</i>	0.71	NA

#Mr. P Kaniappan retired from position of Managing Director with effect from close of Business hours of June 30, 2025

*Mr. Paramjit Singh Chadha was appointed as Managing Director with effect from July 1, 2025

@Ms. Muthulakshmi M resigned from the position of Company Secretary and Compliance Officer with effect from close of business hours on March 24, 2026

^Ms. C V Kavviya was appointed as Interim-Compliance Officer w.e.f March 25, 2026

Directors other than those mentioned above have not drawn any remuneration including Sitting Fees & Commission, for the financial year 2025-26.

- 15.2** The percentage increase in the median remuneration of employees in the financial year: 13.18%
- 15.3** The number of permanent employees on the rolls of company as on March 31, 2026: 1,999
- 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: 0.31%. 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 nonfinancial parameters and based on their individual performance and the performance of the Company. The Board at its meeting dated May 13, 2026, approved the commission to be paid to Independent Directors as INR 40.43 lakhs to Mr. Mahesh Chhabria, INR 28.88 lakhs to Ms. Amrita Verma Chowdhury, INR 28.88 lakhs Ms. Rashmi Urdhwareshe and INR 28.88 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 upto June 30, 2025 and Mr. Paramjit Singh Chadha, Managing Director from July 1, 2025.

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 Compliance Officer.

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, 2026. 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.

The certificate of the Statutory Auditors M/s. BSR & Co LLP, Chartered Accountants with regard to compliance of conditions of corporate governance as stipulated under Schedule V(E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Corporate Governance 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. DISCLOSURE PURSUANT TO COMPANIES (ACCOUNTS) SECOND AMENDMENT RULES, 2025

18.1 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. The following is the summary of complaints received and disposed of during the financial year

Number of Sexual Harassment Complaints received during the year	3
Number of Sexual Harassment Complaints disposed off during the year	2
Number of Sexual Harassment Complaints pending beyond 90 days during the year	1

Note: Pending complaint was concluded as on the date of the report.

18.2 Disclosure Under MATERNITY BENEFIT ACT, 1961:

The Company affirms that it has complied with the applicable provisions of the Maternity Benefit Act, 1961, including but not limited to:

- Grant of maternity leave to eligible employees,
- Provision for nursing breaks, and
- Ensuring protection against dismissal during maternity leave and other associated entitlements.

19. OTHER PARTICULARS

- The Company has not accepted any deposits from the public within the meaning of Section 76 of the Companies Act, 2013 for the year ended March 31, 2026.
- 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 2025-26, 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 2025-26
- 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, 2026. 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, 2026.
- The Company has not transferred any amount to general reserves during the year ended March 31, 2026.
- 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, 2026 and at the date of this report.

20. 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

Lucknow
May 13, 2026

Akash Passey
Chairman
DIN: 01198068

ANNEXURE – 1

A. CONSERVATION OF ENERGY

1. Measures taken

- i) Installation of rooftop solar power plants at Lucknow and Pant nagar facilities, meeting approximately 30% of total power consumption at each site.
- ii) Replacement of diesel-fired boilers with induction-based electrical vessels in canteens across all sites, eliminating diesel usage and achieving an estimated 20% reduction in carbon emissions.
- iii) Upgradation of anodizing plant rectifiers from thyristor-based systems to Insulated Gate Bipolar Transistor (IGBT) technology, resulting in energy savings of approximately 10%.
- iv) Replacement of coolant pumps with energy-efficient models across 50 machines, delivering annual energy savings of about 300,000 units.
- v) Replacement of Assembly AHU-3 with an electronically commutated (EC) blower, achieving annual energy savings of approximately 37,000 units.
- vi) Implementation of heat pumps for 10 washing machines at the Mahindra City plant, replacing electrical heaters and yielding annual energy savings of approximately 96,000 units.
- vii) Introduction of energy-efficient air blowers in place of compressed air usage, resulting in energy savings of approximately 500,000 kWh per year.
- viii) Deployment of IGBT-based controlled heaters for the impregnation plant, reducing energy consumption by approximately 15% compared to the existing system.
- ix) Optimization of the Makino A71 machine coolant chiller, achieving annual power savings of approximately 15,000 units.

These measures resulted in substantial energy savings of about 12.50 lakhs units of power and cost resulting in Rs. 112.5 lakhs per annum.

2. Measures proposed

- i) Replacement of LPG-based cooking equipment with induction-based systems in the Ambattur canteen kitchen, delivering expected energy savings of approximately 12,000 units per annum.
- ii) Reduction in power consumption during main air compressor testing by reusing compressed

air output, resulting in expected savings of approximately 374,000 units per annum.

- iii) Installation of a solar hot water plant at the Ambattur canteen, reducing electrical consumption by approximately 200 units per day and achieving annual savings of about 58,000 units.
- iv) Implementation of thyristor-based control and optimization of operating parameters in the crankshaft washing machine, resulting in expected energy savings of approximately 20,000 units per annum.
- v) Implementation of an electronically commutated (EC) fan for AHU-2 at the Ambattur facility, yielding expected energy savings of approximately 32,000 units per annum.
- vi) Reduction of compressor high-pressure (HP) and low-pressure (LP) airflow rates by 300 CFM, achieving expected energy savings of approximately 100,000 units per annum.
- vii) Implementation of a heat pump system in the phosphating process, resulting in expected energy savings of approximately 30,000 units per annum.
- viii) Replacement of the Plasma C & D chiller from 20 TR to 10 TR capacity, achieving expected energy savings of approximately 120,000 units per annum.
- ix) Deployment of mobile compressors during holidays and Sundays, resulting in expected energy savings of approximately 250,000 units per annum.
- x) Power factor improvement initiatives at the Lucknow facility, delivering expected energy savings of approximately 60,000 units per annum.
- xi) Optimization of compressor configuration at the Lucknow facility by deploying a single 45 kWh compressor in place of two 37.5 kWh compressors, resulting in expected energy savings of approximately 110,000 units per annum.
- xii) Optimization of utility compressors at the Jamshedpur facility by reducing operating pressure from 8.2 bar to 6.0 bar for machining lines through line segregation, achieving expected energy savings of approximately 75,000 units per annum.

- xiii) Replacement of 4-star rated R22 air conditioners with energy-efficient models at the Jamshedpur facility, delivering expected energy savings of approximately 50,000 units per annum.
- xiv) These measures are expected to result in substantial energy savings of about 13.0 lakhs units of power & Cost savings of Rs. 125 lakhs per annum

B. DETAILS RELATING TO IMPORTED TECHNOLOGY: (TECHNOLOGY IMPORTED DURING THE LAST 5 YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR) – Nil

C. EXPENDITURE ON R & D

	Rs.in lakhs
Capital expenditure	1,416.81
Recurring expenditure (including salaries):	9,986.69
	11,403.5

D. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption

- a. Airlite™ Electric Compressor technology launched, designed specifically for electric truck platforms to support next generation electrified mobility.
- b. 60 mm and 90 mm Exhaust brake systems (EBA) developed and launched for a leading OEM.
- c. Low cost ADAS Moving Target (test dummy) and validation platform developed in collaboration with a leading academic institution, supporting cost effective ADAS testing.
- d. Electric Powered Hydraulic Steering (EPHS) system developed and validated, delivering measurable fuel efficiency improvements.
- e. Scroll Compressor technology absorbed, with successful proof-of-concept demonstrated to multiple OEM customers.
- f. Software Defined Vehicle (SDV) workshops conducted in collaboration with leading OEMs, reinforcing future ready software and system capabilities.
- g. Per- and Polyfluoroalkyl Substances (PFAS) free sealing compound developed with thermal resistance up to 100 °C

- h. Laser welded clamp ring developed for Spring Brake Actuators, improving corrosion resistance while reducing overall cost.
- i. Diaphragm with PA6 fabric developed for Dual Diaphragm Spring Brake Actuators (DDSBA), cost effective with force-output performance.
- j. Thin-walled diaphragm developed for actuator applications, achieving performance improvement along with cost and weight reduction.
- k. ECOMID 9S1310 TD Manual Transmission developed and launched for a leading OEM, addressing performance and reliability needs.
- l. 430 mm diameter pull type clutch with high wear developed meeting performance and durability requirements for demanding applications.
- m. AX2 Low-Floor e-Axle developed for electric vehicles, enabling compact packaging, improved efficiency, and optimized vehicle architecture.
- n. TraXon transmission solutions customized and launched for a leading OEM.

2. Benefits derived

- a. Meeting current and upcoming regulations
- b. Increased Domestic Value Addition (DVA) for optimizing cost.
- c. Products with improved value to customers
- d. Advanced features to enhance vehicle safety
- e. Increased market share with localized products with advanced features
- f. Enhanced product performance and durability resulting in competitive advantage
- g. Environmental 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

	(Rs.in lakhs)
Foreign exchange inflow:	1,62,819.42
Foreign exchange outflow:	66,759.78

ANNEXURE – 2

ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR ENDED MARCH 31, 2026

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, 2026: -

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR committee held during the year (during their tenure)	Number of meetings attended by the Director
1	Mr. P Kaniappan *	Chairman (Managing Director)	One	One
2	Mr. Paramjit Singh Chadha [#]	Chairman (Managing Director)	NA	NA
3	Mr. Neeraj Sagar	Member (Independent Director)	One	One
4	Ms. Amrita Verma Chowdhury [@]	Member (Independent Director)	One	One
5	Ms. Rashmi Urdhwareshe [§]	Member (Independent Director)	NA	NA

* Mr. P Kaniappan retired from the position of Managing Director of the Company & Chairman of CSR Committee w.e.f. close of business hours on June 30, 2025

[#]Mr. Paramjit Singh Chadha was appointed as a Member of Committee w.e.f. July 2, 2025

[@]Ms. Amrita Verma Chowdhury ceased to be a member of the Committee w.e.f. November 4, 2025

[§]Ms. Rashmi Urdhwareshe was appointed as a member of the Committee w.e.f. November 5, 2025

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 52,603.55 Lakhs
	b)	Two percent of the average net profit of the Company as per Section 135(5):	INR 1,052.07 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 26.64 Lakhs
	e)	Total CSR obligation for the financial year (5b+5c-5d):	INR 1,025.43 Lakhs
6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):	INR 1,037.04 Lakhs
	(b)	Amount spent on administrative overheads:	INR 1.16 Lakhs
	(c)	Amount spent on impact assessment, if applicable:	NIL
	(d)	Total amount spent for the financial year (6a+6b+6c):	INR 1,038.20 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
1,038.20	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	Amount spent for the projects/ programs	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
							Name	CSR Registration Number
1	Installation of solar Traffic signal, streetlights and high mast lights:							
	a. Solar based traffic signals and high mast lights at Kancheepuram District	Item (iv) environmental sustainability	Yes	Chennai	46.75	Yes		NA
	b. Solar based traffic signals and high mast lights at Chengalpattu District	Item (iv) environmental sustainability	Yes	Chennai	15.58	Yes		NA
	c. Annual Maintenance Charges for Solar based street lights and Solar based high mast light	Item (iv) environmental sustainability	Yes	PAN INDIA	2.35	Yes		NA
	d. Solar High Mast lights at Ambattur	Item (iv) environmental sustainability	Yes	Chennai	13.72	Yes		NA
	e. Solar High Mast lights at Jamshedpur	Item (iv) environmental sustainability	Yes	Jamshedpur	13.71	Yes		NA
	f. Solar High Mast lights at Railway Station Road, Barabanki	Item (iv) environmental sustainability	Yes	Lucknow	20.57	Yes		NA
	g. Solar based streetlights at Dhakauli Village, Barabanki	Item (iv) environmental sustainability	Yes	Lucknow	13.86	Yes		NA
	h. Solar Himast light at SIDCO Women Industrial Estate	Item (iv) environmental sustainability	Yes	Chennai	48.00	Yes		NA
2	Infrastructure support to Educational Institutions							
	a. Installation of Single Arm Solar Street Light at Kasturba Gandhi Awasiya Balika Vidhyalaya at Barabanki	Item (iv) environmental sustainability	Yes	Lucknow	2.31	Yes		NA
	b. Installation of Solar based Single arm Street Lights at Kasturba Gandhi Residential Girls school- Jamshedpur	Item (iv) environmental sustainability	Yes	Jamshedpur	6.93	Yes		NA
	c. School infrastructure development (Renovation) at Utkarmit Madya Vidyalaya Jgernathpur, Gamahria	Item (ii) promoting education including special education	Yes	Jamshedpur	24.56	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	Amount spent for the projects/programs	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
							Name	CSR Registration Number
3	Road Safety Awareness programs & Health checkup for drivers and technicians							
	a. Eye-checkup for drivers and providing corrective spectacles	Item (i) promoting health care including preventive health care	Yes	PAN INDIA	6.7	Yes		NA
	b. Road Safety awareness for RTOs	Item (ii) employment enhancing vocation skills	Yes	PAN INDIA	4.7	Yes		NA
	c. Road Safety awareness for Fleets drivers & Technicians	Item (ii) employment enhancing vocation skills	Yes	PAN INDIA	7.47	Yes		NA
	d. Safety kit for Technicians	Item (ii) employment enhancing vocation skills	Yes	PAN INDIA	17.76	Yes		NA
4	Annual Maintenance for Q2 plant and Tree Plantations							
	a. Annual maintenance charges for Q2 Plant at KK Nagar	Item (iv) environmental sustainability	Yes	Chennai	5.66	Yes		NA
	b. Greenery Development at Oragadam (500 tree plantation, rainwater harvesting with 1000m3 capacity and reuse water for 500 trees)	Item (iv) environmental sustainability	Yes	Chennai	52.41	Yes		NA
5	Expenditure incurred on Skill Development	Item (ii) employment enhancing vocation skills	Yes	Chennai	734.00	Yes		NA
Total					1,037.04			

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

Sl. No	Particular	Amount (in INR)
(i)	Two percent of average net profit of the Company as per section 135(5)	1,052.07 Lakhs
(ii)	Total amount spent for the financial year (includes an excess of Rs. 26.64 lakhs spent in the previous year)	1,064.84 Lakhs*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	12.77 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)]	12.77 Lakhs

*including excess contribution from previous year, 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	2022-23	Rs. 124.19 Lakhs	NIL	NIL	NA		NIL	NIL
2	2023-24	Rs. 59.00 Lakhs	NIL	NIL	NA		NIL	NIL
3	2024-25	NIL	NIL	NIL	NA		NIL	NIL

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 Rs. 1,052.07 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 Rs. 1,052.07 Lakhs, an expenditure of Rs. 1,064.84 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.

Lucknow
May 13, 2026

Akash Passey
Chairman
DIN: 01198068

Paramjit Singh Chadha
Managing Director & Chairman of CSR Committee
DIN: 06972549

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)

Sl. No.	Name of the subsidiary	ZF CV Control Systems Manufacturing India Private Limited
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2025 to 31/03/2026
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	1,429.35
5.	Total assets	6,439.64
6.	Total liabilities	6,439.64
7.	Investments	NIL
8.	Turnover	8,390.44
9.	Profit before taxation	1,290.40
10.	Provision for taxation	237.77
11.	Profit after taxation	1,052.63
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.

(Rs. 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 (2025-26)
ZF CV Systems Global GmbH	Purchase of goods	01.04.2025 to 31.03.2026	Markup on cost of raw materials, conversion cost	22.03.2025	11,112.13
	Sales of Automotive Components	01.04.2025 to 31.03.2026	Markup on cost of raw materials, conversion cost	22.03.2025	78,096.17
	Rendering of Services	01.04.2025 to 31.03.2026	Mark-up on cost of salary, rent	22.03.2025	45,763.52
	Receipt of services - License Fee	01.04.2025 to 31.03.2026	4% on Digital subscription sales	22.03.2025	97.04
				Total	1,35,068.86

*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.

ANNEXURE – 5

FORM NO. MR-3

Secretarial Audit Report For the Financial Year 2025-2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
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 the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ZF Commercial Vehicle Control Systems India Limited (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **ZF Commercial Vehicle Control Systems India Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. ZF Commercial Vehicle Control Systems India Limited** ("the Company") for the financial year ended on 31st March, 2026 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, 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)

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. **(Not applicable to the Company during the audit period).**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period).**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable).**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period).**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period).**

Other Laws specifically applicable to this Company is as follows:

- (i) The Special Economic Zones Act, 2005 (SEZ) and the rules made thereunder, applicable to its manufacturing units located in Special Economic Zones;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time.

We further report that the Board of Directors of the Company is duly constituted with 8 (Eight) Directors as at 31st March, 2026, 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.

We further report that during the period under review, the following changes occurred in the composition of the Board of Directors of the Company:

1. Mr. Periakaruppa Nadar Kaniappan (DIN: 02696192) completed his term as the Managing Director and consequently ceased to be a Director of the Company with effect from the close of business hours on June 30, 2025.
2. Mr. Paramjit Singh Chadha (DIN: 06972549) was appointed as the Managing Director of the Company with effect from July 1, 2025 to 31st December, 2027.
3. Dr. Christian Brenneke (DIN: 08344547) resigned as a Non-Executive Non-Independent Director of the Company with effect from the close of business hours on November 4, 2025.
4. Mr. Ivan Brajdic (DIN: 11347495) was appointed as an Additional Director (Non-Executive and Non-Independent) of the Company with effect from November 5, 2025. Subsequently, the Shareholders approved his appointment as Non-Executive and Non-Independent Director of the Company on December 18, 2025 through Postal Ballot.
5. Mr. Philippe Colpron (DIN: 08344534), Non-Executive Non-Independent Director of the Company, retired by rotation at the Annual General Meeting held on August 21, 2025, and the Company has decided not to fill the vacancy caused by his retirement.
6. Mr. Mahesh Chhabria (DIN: 00166049) was re-appointed as a Non-Executive Independent Director of the Company for a second term of five (5) consecutive years from May 16, 2025 to May 15, 2030.

7. Mr. Orlik Lars (DIN: 10390472) was appointed as the Non-Executive Non-Independent Director of the Company with effect from 21st August, 2025 and ceased to be a Director upon his resignation with effect from 30th April, 2026 i.e., after the close of the financial year.

We further report that during the period under review, the following changes occurred in the Key Managerial Personnel of the Company:

1. Mrs. Muthulakshmi M resigned from the position of Company Secretary and Compliance Officer of the Company with effect from March 24, 2026.
2. Ms. C. V. Kavviya was appointed as the Compliance Officer of the Company for an interim period with effect from March 25, 2026.

Adequate notice is given to all directors to schedule the Board Meetings. The agenda and detailed notes on agenda were sent at least seven days in advance, other than for meetings convened at a shorter notice. Supplementary agenda notes and annexures in respect of Unpublished Price Sensitive Information (UPSI), such as audited accounts/results, unaudited results and connected papers. Further a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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.

- (i) During the year under review on June 6 2025, one of the Promoters of the company WABCO Asia Private Limited sold 600,133 equity shares constituting 3.16% of the total shareholding in the open market. Consequent, on the sale the shareholding of WABCO Asia Private Limited stand reduced to 1,13,80,551 equity shares constituting 60.00% of the paid-up share capital of the Company.



- (ii) 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 2026 to 31st March 2027 (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 postal ballot process concluded on 20th March, 2026, results of which were declared at the proceedings held on 23rd March, 2026.

We further report that the Company has declared a final dividend of Rs.19/- per share for the financial year 2024-25.

This report is to be read with our letter of even date vide Annexure-1 that forms part of this report.

For **V Suresh Associates**
Practising Company Secretaries

V Suresh

Senior Partner

FCS No. 2969

C.P.No. 6032

Peer Review Cert. No.: 6366/2025

UDIN: F002969H000331880

Place: Chennai

Date: 13th May, 2026

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members

ZF Commercial Vehicle Control Systems India Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
7. The 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.

For **V Suresh Associates**
Practising Company Secretaries

V Suresh

Senior Partner
FCS No. 2969
C.P.No. 6032

Peer Review Cert. No.: 6366/2025
UDIN: F002969H000331880

Place: Chennai
Date: 13th May, 2026

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ZF Commercial Vehicle Control Systems India Limited is shaping the future of commercial vehicle transportation systems. Our technologies and solutions for commercial vehicles and trailer fleets enable them to be more efficient, safe, connected, intelligent, and automated in their operations. We partner with customers to introduce integrated and innovative solutions that positively impact the commercial vehicle's lifecycle, from cradle to grave.

The Company offers customers access to the broadest range of commercial vehicle solutions in key domains like Automated Driving, Electric Mobility, Safety, and Connected or Shared Transportation and Fleet Operations' Digitalization to enable Next Generation Mobility. Our local teams and partners are well represented across the country for close customer proximity.

I INDUSTRY STRUCTURE AND DEVELOPMENT:

GDP growth and Indian economic outlook:

Strong domestic demand supports growth; external headwinds remain a key watch factor

With robust growth of 7.8% in Q3, following 8.4% in Q2 FY26, the overall growth projection for FY26 for the nation has been revised upward from 7.4% to 7.6%. This revision is supported by strong momentum in the manufacturing and services sectors.

Looking ahead, GDP growth for FY27 is projected at 6.9% reflecting a relatively slower trajectory as the economy navigates external headwinds. On the domestic front, consumption is expected to remain supported by the favourable impact of GST rate rationalization and the benefits of earlier RBI rate cuts. On the investment side, the Centre's continued emphasis on capex-led growth, along with emerging signs of a revival in private capital expenditure, is encouraging.

Recently announced trade agreements with partners such as the US, EU, Australia, and the UK are positive developments for India's export performance. However, despite the economy's underlying resilience and uptick, growth in 2026–27 is likely to be constrained by external headwinds arising from geopolitical uncertainties and inflationary pressures. Given the continued volatility in global economic conditions, close monitoring of evolving geopolitical dynamics and trade policy changes is critical, as these factors could impact overall growth to some extent

Manufacturing: *Manufacturing and capex led growth offset mixed industrial performance*

India remains firmly committed to expanding its manufacturing base, with a strategic focus on

diversification, strengthening traditional industries such as automobiles, and building a resilient, globally competitive domestic supply chain ecosystem.

Industrial activity showed a mixed momentum in FY26. While Index of Industrial Production (IIP) growth touched a six quarter high of 5.2% in Q3, it tapered to 4.8% in Q4' FY26. On a full year basis, industrial output expanded by 4.1% in FY26, broadly unchanged from the previous year. Subdued growth in mining (1.4% in FY26 versus 3.0% in FY25) and electricity (1.0% versus 5.2%) weighed on overall industrial performance. In contrast, manufacturing emerged as a bright spot, recording a growth of 5.0% improving over 4.1% recorded in FY25.

Within the use-based classification, capital goods and infrastructure segments delivered strong performance, registering growth of 8.3% and 9.8%, respectively, in FY26. The Centre's continued emphasis on a CAPEX led growth strategy has supported the growth momentum in these segments.

However, the global economic environment remains challenging amid persistent geopolitical tensions, including ongoing uncertainties around the conflict in West Asia. Elevated global risks and potential supply chain disruptions are expected to pose headwinds to India's industrial activity. Looking ahead, heightened external volatility could keep industrial growth under pressure, underscoring the need for continued policy support to sustain momentum

i. Indian Commercial Vehicle Industry:

Landmark year for CV industry

Aided by strong GDP growth and underpinned by broad-based consumption recovery following GST reforms and RBI's repo rate cuts, the automotive industry recorded robust sales growth of 13% in FY26 (*Source : FADA*), while the commercial vehicle (CV) industry grew by 11%, marking a landmark year for the sector. Within the CV space, the medium-duty segment witnessed stellar growth of 23%, while the heavy-duty segment grew by a moderate 7.9%.

While demand fundamentals remain strong and are supported by sustained tailwinds from GST 2.0 reforms, improving affordability, and a supportive monetary policy stance to address the potential headwind arising from the Middle East conflict, will need close monitoring. These geopolitical risks could impact raw material and energy prices, with significant implications for vehicle prices and fleet profitability.

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

- **Aging vehicle fleet:** Nearly 42% of trucks are over 12 years old, creating a strong, multi-year replacement cycle.
- **E-commerce-led growth:** E-commerce is entering a high-growth phase, driven by rising disposable incomes, rapid digital adoption, and increasing demand from Tier II and III cities. It is estimated that ~25% of new sales will be driven through online channels, with the e-commerce market expected to grow at a CAGR of ~15% to reach USD 345 billion by 2030.
- **Digitalization and connectivity:** Growing adoption of telematics and fleet management systems is improving tracking, maintenance, and operational efficiency, which in turn is opening new opportunities across the CV value chain.
- **Emerging business models:** The rise of freight aggregators and logistics platforms is creating an incremental demand for commercial vehicles.
- **Trailer industry formalization:** The trailer segment is rapidly transitioning from unorganized to organized players, supported by a surge in demand for specialized trailers, including refrigerated units.
- **Shift in public transport procurement models:** State Transport Undertakings (STUs) are increasingly migrating from CAPEX-based procurement to Public Private Partnership (PPP) and Gross Cost Contract (GCC) models (around 18% as of 2023).
- **Policy support and sustainability push:** Government initiatives such as the Vehicle Scrappage Policy, green mobility measures, and the PM-eBus Sewa scheme are accelerating the replacement of older and polluting vehicles.

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

With more structural reforms underway in a stable economic environment and supported by 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
- Light weighting technologies
- Predictive maintenance using AI/ML
- Advance Driver Assistance Systems (ADAS)

- Collision Avoidance Warning System
- Lane Departure Warning Systems
- Electric Vehicles and EV retrofits
- Battery swapping and fast-charging ecosystem for electric CVs
- E- trailers
- 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
- eSIM-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

The commercial vehicle industry is likely to sustain this growth over the next 2 to 3 years. Demand for commercial vehicles, particularly medium and heavy commercial vehicles, is likely to benefit from various government initiatives to help revive the economy.

II OPPORTUNITIES AND THREATS

The Indian Commercial Vehicle (CV) industry has undergone a transformative shift, commencing with the implementation of BS VI emission standards. This evolution was further amplified by the subsequent introduction of Phase II/2 Real Driving Emissions (RDE) norms in April 2023, representing a substantial advancement for the automotive sector. By aligning with the stringent European and American regulatory frameworks, the elevated standards establish a more equitable competitive landscape for both Original Equipment Manufacturers (OEMs) and Auto Component suppliers. Consequently, as domestically produced vehicles and their underlying technologies now conform to premier international benchmarks, this regulatory convergence unlocks enhanced opportunities for increased participation in the global export market.

Driven by the government's emphasis on safety , several key measures are being implemented. The mandatory Electronic Stability Control (ESC) for buses

and the recent amendment mandating Advanced Driver Assistance Systems (ADAS) in M2 and M3 category buses, as well as N2 and N3 category trucks are included in these measures. Furthermore, the significant increase in ESC adoption in passenger cars and the demand for Trailer Anti-lock Braking Systems (TABS) and Electronic Braking Systems (EBS) in hazardous goods carriers indicate a growing prioritization of safety by customers within the automotive industry. Beyond safety, there is also a clear regulatory push toward improved driver comfort, as reflected in the recent mandate for air-conditioned cabins in M2 and M3 category vehicles, aimed at enhancing driver wellbeing and increasing operating efficiency.

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 BEV, FCEV & H2 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 demand. 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.

Manufacturers are developing a wider range of electric CV models to cater to different 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 the challenges around the charging infrastructure. This combined push from Government and private players holds a promise for increasing EV penetration in the Indian CV market. Our Company has

collaborated with the OEMs and launched E mobility products like electric compressor, electronic braking system and electronically controlled air suspension successfully across all the major traditional and emerging mobility segments

The development of enhanced infrastructure, notably with 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 concept of 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 haul capabilities.

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

During the year, the Company worked with OEMs as a technological solutions partner to introduce technologies like Exhaust brake valve with Key OEM, increase in market share in E-Compressor, ABS/EBS braking system with Independent Bus manufacturers, OPR compressor as a part of Fuel efficacy, Clutch servo with sensor, Electronic Stability Control (ESC), Automated Manual Transmission (AMT), 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 operator's real-time to empower the fleets to significantly enhance safety and operational efficiency. The Company is now working with several OEMs across 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.

As the industry shifts to better emission norms and upgrading vehicle platforms, this has created numerous digitalization opportunities in the entire

fleet ecosystem with huge potential to mobilize vehicle intelligence. This provides deep meaningful insights on vehicle performance to the end user and / or fleet owner. These insights, when utilized effectively have the potential to transform user experience to a whole new level.

The Company also introduced numerous products through its aftermarket division/ to enhance the safety and efficiency of fleets including air suspension with ECAS technology, tandem master cylinder, and clutch master cylinders. 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, penetration 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
- Leverage or expand its manufacturing footprint to ensure increased customer centricity
- Increase in penetration of new products – Automated Manual Transmission, door control system, Trailer Lift Axle Suspension Systems, Air Disc Brakes amongst 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 its sales, service, and distribution network 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 (ASC) 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 easy availability of genuine parts, and generated additional revenue for the Company. Given the opportunities available in the commercial vehicle segment, we expect the activity levels of the competitors to also be on the rise.

III RISKS AND CONCERNS

The Company has cash reserves to meet its obligations and does not foresee a need to borrow or raise capital. With a strong credit management process and investment vetting processes, the Company has met all its financial obligations and will continue to do so. The Company is receiving all major dues from its customers albeit with some minor delays. The Company has been accepting payments through arrangements with the banks, as our customers have made on a selective basis. The Company also has imposed strict cost control measures to reduce and avoid discretionary spend.

The Company has robust ERP system in place, and all its locations are well networked. The reporting systems work seamlessly without any disruption and ensure 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 Outlook (2026–2027)

- **India** maintains its position as the world's fastest-growing (consumer) major steel market, with demand projected to expand by 7.4% in 2026 and estimated to accelerate to 9.2% in 2027. (Ref : World Steel) and ICRA (Investment Information and Credit Rating Agency of India Limited) suggested 9-10% growth considering growth in roads, railways and infrastructure projects

Global Steel Demand Forecast (2026–2027)

- **2026:** Global steel demand is projected to reach **1,724 million tonnes (Mt)**, marking a **0.3% increase** from 2025 .

Iron Ore and Steel Scrap :

Iron Ore Price Forecast for 2026

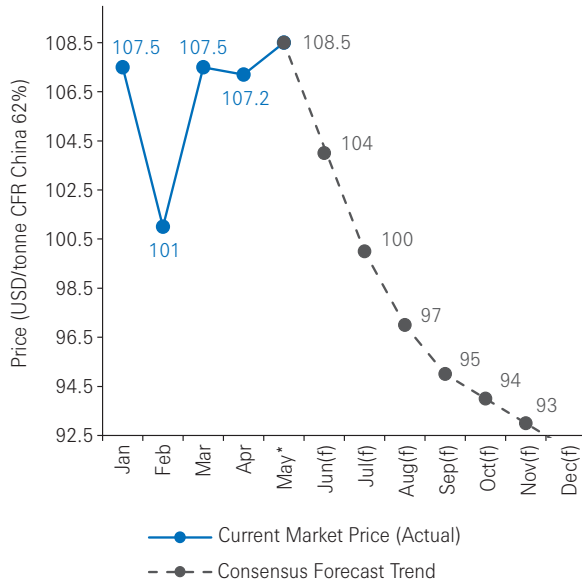
Iron Ore imports to India are set to rise to a seven-year high in the 2025/2026 fiscal year (ending March 31) due to a domestic shortage of high-quality raw materials

Middle East conflict is driving up Indian iron ore prices and input costs in 2026 by increasing delivery cost owing to freight and fuel-related expenses.

At a global level, iron ore prices are projected decrease in 2026 due to weakening demand from China and an increased global supply.

- Goldman Sachs: Average price of \$88-\$93 per tonne,

Iron Ore Price Trend & Forecast (2026)



Scrap Steel Price Outlook for 2026

In India, shredded scrap prices are expected to rise in early 2026 with 2.7%

- Tight domestic supply: stabilization phase with tightening supply and prices increased by 2.7% at India and 7% for Europe.

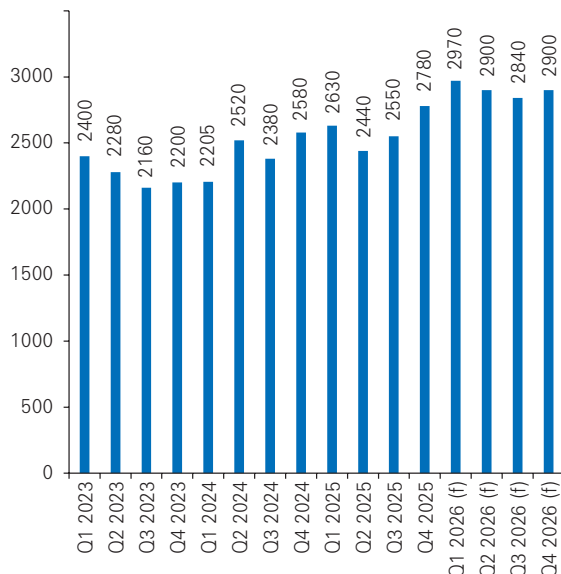
Aluminium Price :

High prices are expected all through 2026 due to structural deficits and geopolitically triggered supply bottlenecks which will increase tariffs.

Aluminium prices in India are expected to remain elevated throughout 2026, driven by global supply deficits and high demand from electric vehicles (EVs) and infrastructure. As of April 2026, prices surged, with Indian MCX futures trading around ₹370-₹379 per kg due to tightened inventories.

Aluminium price forecast: LME cash price

(\$ per tonne)

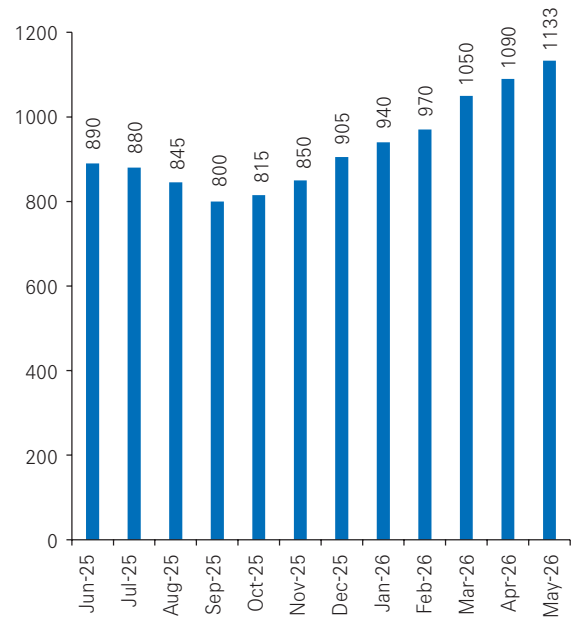


Whereas Goldman Sachs report said that a downtrend is expected for Aluminum prices from late 2026 – (from \$3150 to \$2350)

HRC Steel:

Domestic hot rolled coil (HRC) prices rose from Rs 46000/ MT to Rs 53800/ MT and it is expected to stay volatile between Rs 50000/ MT to Rs 53800/ M. With respect to cooking coal price and high RM prices, Global HRC prices are expected to stabilize around (\$700 to \$750), with regional variations.

Price variation from 2025-2026



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. The 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 2025-26, the Company had a very detailed road map including the creation of risk awareness, adopting the ISO standards in managing and monitoring the risks, and a detailed presentation was made to the risk management committee about risk mitigation in place & future risk mitigation action with timeline and accountable risk owner.

IV 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 to ensure accurate reporting. All transactions are authorized, recorded, and reported precisely. The internal controls are checked by internal auditors. Observations made by them, management actions, and time frames are also reviewed.

V OPERATIONS REVIEW

A. Manufacturing

During the year, the Company expanded its manufacturing footprint with the commissioning of new production lines at the Oragadam plant for next-generation e-mobility products. These facilities now undertake the manufacture of e-Compressor Lite, Brake Signal Transmitters and wheel-end actuators for various Indian OEMs, and vacuum pumps for the export markets. Several new products including twin-cylinder compressors and actuators for European customers, and Relay Valves, High-Force Actuators and Exhaust Brake Assemblies for Indian OEMs, were also successfully launched. The product portfolio was further extended to cater to the aftermarket segment.

Manufacturing capacities for braking systems were scaled up across all plants to capitalize on emerging growth opportunities. Assembly line upgrades at Jamshedpur, Lucknow and Pantnagar enhanced production capability, delivery performance, flexibility and customer responsiveness, while also contributing to sustainability through reduced transportation-related emissions. Productivity and quality improvements continued through increased adoption of smart automation, robotics, testing automation and digitalisation across assembly and machining operations.

The Company significantly strengthened its digital and IT foundation. A robust wired shopfloor network was deployed across all production areas, ensuring reliable connectivity for manufacturing assets. Data centre upgrades in line with MiConDis (Minimum Data Center Continuity and Disaster Requirements) and ProSA (Production Service Area Ready for I4.0)

standards, together with enhanced cybersecurity controls, enabled the achievement of PITS (Production IT Security) Level 3 across all factories. In alignment with the ZF Strategic IT Landscape, a model production line was established at the Ambattur plant, integrating paperless operations and digital solutions to deliver measurable improvements in safety, quality and operational efficiency, and serving as a local Industry 4.0 benchmark. Next-generation process control and traceability were piloted using ZF's SCADA system (Agile Cell Controller), demonstrating improved transparency and process steering, with scaling underway across plants. The Digital Manufacturing Platform (DMP) was further leveraged to roll out data-driven shopfloor solutions and Digital Shopfloor Management, strengthening governance and operational visibility.

As of December 2025, the Ambattur, Mahindra City and Jamshedpur plants successfully completed ZF's Overall Maturity Assessment (OMA). With an average score of ~2.7, CVS India is positioned competitively within global benchmarks, reflecting strong alignment with the ZF Production System and a structured approach to continuous improvement. Capability building remained a key focus, with over 255 employees qualified across multiple Production System levels and topics. Value Stream Analysis initiatives progressed as planned, enhancing end-to-end process visibility, flow efficiency and operational effectiveness across Indian operations.

The Company also advanced its environmental stewardship agenda, delivering measurable reductions in emissions, energy consumption and resource use. Eliminating diesel and LPG usage in canteen operations reduced approximately 207 tonnes of Scope 1 CO₂e emissions annually. Renewable energy adoption and energy efficiency initiatives gained momentum, with a 200 kWp rooftop solar plant at Lucknow contributing over 40% of peak monthly power requirements and 51 energy efficiency projects delivering annual savings of about 2,617 MWh. Water and waste management initiatives included commissioning a 1,200 KL rainwater harvesting pond at Jamshedpur, meeting nearly 40% of site water needs, installing an Organic Waste Converter at Ambattur, and optimizing effluent treatment operations, significantly reducing sludge generation.

B. Quality

ZF DNA of Quality - Living in a Zero-Defect Environment.

At ZF, quality is 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 PPM rate of 89 in FY 2025-26, our customers' expectations remain firm:

- Zero PPM
- Zero field failures up to 1 lakh kilometers
- Zero Unscheduled Visit per vehicle UVPV

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

Highlights of 2025-26 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:

- 238 Quality Control Circle projects
- 234 Supervisory Improvement Team projects
- 17263 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 towards quality contributions.

Our processes advanced through enhanced global standard adherence, better readiness evaluations, stronger safe launch controls, lessons learned sharing, 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 at the core of driving supplier performance, structural alignments, and executing our long-term Quality 4.0 roadmap.

Key Recognitions and Awards

1. Mahindra City Plant won the award for Zero Defect Culture in VOLVO Supplier Day.
2. Ambattur team was awarded with Supplier Quality Excellence award for problem solving completion in Ashok Leyland.
3. Ambattur and Mahindra City teams won ASCEND 2025 Supplier Quality Award from UD trucks customer for outstanding contribution towards POKAYOKE implementation through innovative digital solutions.
4. Ambattur team won Runner up Award in the National "Supplier SAMRAT" Competition organized by Ashok Leyland
5. Ambattur team received Winner Award at "NO MAKE" Competition organized by Ashok Leyland
6. Ambattur team received Runner-up award at "KAIZANIA" competition organized by Daimler
7. Ambattur team received Runner-up award at Regional "Supplier SAMRAT" competition organized by Ashok Leyland
8. Ambattur and Oragadam teams received awards at Quality Month Competition organized by JBM. Awarded for Best Poka Yoke and Best Quality improved through Ergonomics.
9. Pune plant team won Best L3 Control award from Tata Motors customer.
10. Lucknow team received Winner award for Best QC story project presented by TATA Motors during the Quality Month.

External Industry Awards

1. CVS India Quality teams recognized with one Platinum and two Silver awards in the Anna University Industrial engineering competition, INDCON 26.
2. Ambattur Quality team participated in QCFI competition and won GOLD Award.

3. Oragadam team won the first prize at the IMTMA-ACE Micromatic Productivity Championship Awards 2025.
4. Oragadam team was awarded the Gold Award in the QCFI Kaizen Competition for achieving quality through improved ergonomics.
5. Ambattur team was awarded the third position in the CII Poka-Yoke Competition for the Automotive Sector.
6. Ambattur team participated in 34th CCQCC 2025 Competition and won 2 Gold awards for the best rejection elimination projects.
7. Ambattur team was recognized with the first prize in the National Level Quiz Competition Conducted by CII on TPM.
8. Lucknow team secured the 2nd Runner-Up Award at the CII QC competition.
9. Lucknow team won Silver Award at the QCFI QC Competition.
10. Ambattur and Mahindra City teams received Gold award in NIQR Six Sigma Competition.

All of these recognitions reflect the team's relentless focus on quality, continuous improvement, and customer satisfaction.

C. Information Technology

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

Global ZF IT has gone through an organizational transformation this year to reduce complexity and strengthen accountability at all levels with a strengthened regional IT .

The solutions and ideas for digitalisation are registered and 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 and AI solutions, enabling data-driven decision making and 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 for cohesion on topics regarding organization, people, technology, and ecosystem related to Data & AI.

2026 Global Data & AI conference was conducted by the Global AI CoE Team as an inspiring event which explores the latest advances in Data

Analytics & Artificial Intelligence. The Conference brings together experts, business teams, innovators, and enthusiasts to share knowledge and foster connections.

Multiple AI based projects are already underway or are under evaluation in the areas of Warranty Analytics, R&D and Sales.

Digital Manufacturing Platform (DMP): The Company is in the process of adopting the ZF's Cloud based Digital Manufacturing Platform (DMP) that acts as the foundational digital backbone for operations to achieve higher flexibility, productivity, and efficiency. Three manufacturing plants in India have already been onboarded to DMP 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 towards SAP's S/4HANA platform are being evaluated. Migration of current SAP Server from ZF Data center to SAP RISE on AWS is scheduled this year.

Plan to Implement Supply Chain Solution across India in partnership with Bank to optimize working capital through a seamless, single-file digital workflow via a holistic, H2H-automated supply chain financing solution.

SAP based DART solution has been put in place to ensure compliance to Companies Act mandate on maintenance of Books of Accounts in India Servers and activation of Audit Trail. The setup has also been audited by our Auditors.

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 for all employees on the Dos & Don'ts best practices. The Engineering Center in Chennai, has received TISAX (Trusted Information Security Assessment Exchange) 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).

External Facing and Third-Party Regional Applications are periodically assessed for vulnerabilities and actions are taken to mitigate any identified risks. All database and windows servers hosting these applications are constantly evaluated for migrating to latest versions/patches as per ZF standards.

With reference to the new DIGITAL PERSONAL DATA PROTECTION ACT (DPDPA), 2023 requirements, initial preparations and discussions with consulting partners initiated to draw out a plan on as-is assessment and planned actions towards compliance by May 2027.

VI HUMAN RESOURCE DEVELOPMENT

During FY 2025–26, the Human Resources ZF India continued its strategic evolution towards becoming a governance-driven and digitally enabled function. Anchored by the philosophy of “moving from clean data to clean governance,” HR has focused on building a disciplined, compliant, and scalable foundation that supports sustainable business growth. This transformation reflects a shift towards structured processes, strengthened accountability, and technology-led efficiency, positioning HR as a key enabler of organizational excellence.

The year witnessed the introduction and rollout of several progressive and employee-centric policies aimed at strengthening governance and enhancing employee experience. Key policies implemented include the Prevention of Sexual Harassment (POSH) policy, Retention Guidelines, Performance driven variable pay for non-management employees, Loan & Salary Advance policy, Creche policy, and an enhanced Rewards & Recognition framework. Our plants are actively focusing on establishing in-house crèche facilities to better support our women employees, enabling them to work with greater peace of mind while also strengthening our commitment to diversity hiring and an inclusive workplace. These initiatives reinforce the organization's commitment to fairness, inclusivity, and employee well-being.

The primary focus for HR remains on fostering a respectful, inclusive, and secure workplace through proactive policy implementation, awareness programs, and sustained employee engagement. Strengthening Gender Diversity and Inclusion continues to be a critical priority. In addition, strategic focus areas for the upcoming year include succession planning for key roles (N-1 and N-2 levels) and preparedness for Labour Code implementation along with organizational restructuring initiatives.

The Company brought on board a total of 187 employees, including 18 campus hires, demonstrating a balanced approach to lateral and early talent acquisition. The diversity ratio for the year stood at 20%, reflecting continued efforts toward inclusive hiring practices. The average recruitment lead time was maintained at 59 days, ensuring efficiency and responsiveness in meeting business requirements.

The Company maintained a stable and healthy attrition rate of 6.58% during the year, reflecting strong employee engagement, effective retention strategies, and a positive work environment.

In FY 2025–26, Diversity Equity, and Inclusion continued to be a key focus area with the launch of the ‘Sheshpere’ initiative, a dedicated women's forum aimed at fostering dialogue, support, and development among women employees. The overall diversity ratio reached 27%, supported by initiatives such as five fully operational women-led production cells and a notable 80% female workforce representation at the Oragadam Plant. Additionally, over 50 Persons (including Trainees) With Disabilities (PwD) were deployed in suitable roles across locations, reinforcing inclusive employment practices. POSH awareness was further strengthened through the introduction of communication materials in regional languages.

The Company undertook a wide range of employee engagement, community development, and CSR initiatives during the year. Environmental sustainability was promoted through a tree plantation drive involving employees and their families, alongside the annual ‘Gift a Smile’ community outreach program.

Talent pipeline development was strengthened through a robust trainee and NAPS framework, by strategic collaborations with Board of Apprenticeship Training (BOAT) and Tamil Nadu Skill Development Corporation (TNSDC). The Apprentice Engineering Development Program (AEDP) was successfully introduced at the Ambattur and Mahindra World City plants, further enhancing structured skill-building initiatives. Additionally, in partnership with the Tamil Nadu Skill Development Corporation and the Tata Institute of Social Sciences, the LEG (Learn,

Earn, Grow) program was launched as part of the organization's broader Talent Development agenda.

Employee engagement initiatives included the Coffee Connect series and structured 90-day connect sessions for new joiners. The launch of the "Mentoring@ZF" platform has enabled employees to connect with inspiring mentors through quick, focused interactions, designed to spark ideas, facilitate experience sharing, and accelerate professional growth. Key capability-building programs such as Six Sigma projects on direct labour optimization, Plant Manager Development Program (PMDP), Operational Leadership Program (OLP), Talent Transformation, and standardization of working practices are in progress.

Additional initiatives included focused group discussions, emotional intelligence sessions, the ZIGNITE GEC Hackathon, and Train-the-Trainer programs. Employee well-being was supported through the introduction of diet counters, while cultural engagement was strengthened through HR Foster Connect initiatives, including the GEC Music Band (MANTRA). Various celebrations across sites, such as family engagement events, sports activities, annual day, Republic Day celebrations, International Women's Day programs, and health camps including specialized screenings, contributed to a vibrant and inclusive workplace culture.

This year saw constructive developments in collective bargaining, including new leadership formation at Ambattur and MWC plants. Bonus negotiations were successfully concluded across all locations, and the Plant Performance Incentive (PPI) program was effectively implemented at the Ambattur plant, reflecting collaborative engagement between management and workforce.

The Company maintained a positive and stable industrial relations climate throughout the year. Structured grievance redressal mechanisms through committee forums ensured timely resolution of employee concerns. There were zero major disruptions reported, and full statutory compliance was maintained across locations. Progress is underway toward Labour Code integration, further strengthening the organization's compliance framework and readiness for future regulatory requirements. Overall, the Company continued the culture of maintaining smooth and engaged industrial relationship with various works councils across various factories in India.

VII ENVIRONMENT, HEALTH & SAFETY

Every year the first quarter is focused on EHS themes. This year we focused on EHS & Sustainability initiatives with a theme approach in the key areas, where our operations play a bigger role to ensure

safe, healthy and sustainable workplace. Based on the above context, we have taken a theme for this year is "Build SHIELD" framework, a comprehensive series of Environment, Health, and Safety (EHS), wellness, and sustainability initiatives were executed across the Company to strengthen safety as a culture and embed responsible practices into daily operations. SHIELD covering Safety, Health, Infrastructure, Energy, Leadership, and Development, serving as a unifying theme to drive safer workplaces, healthier employees, and greener operations through structured programs, employee engagement, innovation, and leadership commitment.

Together, these initiatives reinforced proactive participation, continuous awareness, operational excellence, and long-term sustainability across all locations.

1. Strengthening Safety & Environmental Culture

Employee Engagement and Communication

To embed safety and environmental responsibility into everyday work, Company wide initiatives were rolled out. This included signature campaigns that enabled visible and personal commitment from employees toward safe and responsible behavior.

Theme-based posters were displayed at strategic locations for constant reinforcement. Toolbox Talks, which were conducted during every shift, emphasized safe work practices, accountability, and shared responsibility.

These actions ensured alignment at all operational levels and sustained awareness across sites.

2. Extending EHS Awareness to Families

Family Health & Safety Day

The Company is celebrated annually in March or April, with the Family Health and Safety Day extended EHS culture beyond the workplace.

Ambattur site marked its fifteenth year in 2025, with over 500 family members participating. Mahindra City site hosted a similar event with 150+ participants. The programs included:

- Health and green home awareness talks for spouses
- Safety-themed activities for children (Drawing, Quizzes, Pick-and-Talk)
- Comprehensive health screening camps (BMI, BP, Sugar Tests, ECG, Eye, Dental, Mammogram, Consultations)

These initiatives reinforced safety, health, and sustainability practices at home and within communities.

3. Road Safety Month – Building a Culture of Safe Mobility

January focused on Road Safety, followed by Machine Safety in February, ensuring year-round safety engagement.

Key Highlights

- Expert-led awareness sessions by Tamil Nadu Police, Lucknow Police, and ACPs
- VR-based driving simulations, daily toolbox talks, and organization-wide safety pledges
- Road Safety programs at schools and quizzes for students
- Shuttle audits and breath-analyzer checks for drivers
- Drawing competitions for employee children

Impact:

Over 3,400 employees and family members participated, making it one of the most impactful safety campaigns and reinforcing responsible road behavior within and beyond the workplace.

4. Machine Safety, Workplace Training & Risk Prevention

Training Programs

Focused sessions were conducted on:

- Machine guarding and material handling
- Firefighting and emergency preparedness

Over 150 employees and associates were trained, improving operational discipline and emergency readiness.

Poka-Yoke & FMEA Alignment

Poka-Yoke campaign promoted error-proofing through prevention at source.

FMEA alignment improved risk visibility, mitigation controls, and integration of safety aspects into machine design.

These initiatives strengthened systematic risk management and preventive safety culture.

5. SHIELD Inter-Plant Kaizen Competition (EHS)

This is a flagship initiative involving 16 teams from six plants, and the competition was conducted in hybrid mode.

Evaluated by EHS Leader – Nokia Ltd.

- Top three teams were awarded and qualified for external competitions.
- Emphasized cross-plant learning, practical solutions, and sustainable EHS improvements.

Strong leadership engagement and coordination reflected the organization's maturity in EHS excellence.

6. Health & Wellness: "No Sports? Every Activity is a Win!"

Rolled out across multiple Company sites in 2024–2025, the campaign emphasized daily movement and preventive health.

Key Initiatives

- Stair-use encouragement, walkathons, Zumba, yoga, ergonomic stretches
- Stepathon 2025
- 200 participants
- 10+ million steps logged in 30 days
- Health talks, webinars, "Back to Basics" challenge
- International Yoga Day celebrations across sites

Impact:

More than 1,000 employees participated, fostering sustainable health habits and reinforcing preventive care as a shared responsibility.

7. Environmental Sustainability & ESG Initiatives

Decarbonization and Energy Transition

Mahindra City canteen fossil-fuel elimination:

Removed 57.6 KL diesel/annum in canteen & 8.7 tons LPG annually in turn to educed ~207 tons CO₂e (Scope 1)

200 KWP rooftop solar at Lucknow, contributing over 40% of monthly power during peak periods.

Energy efficiency program identified 51 projects, saving 2,617 MWh annually.

Water and Waste Stewardship

1,200 KL Rainwater Harvesting Pond at Jamshedpur, meeting ~40% of water needs and supporting groundwater recharge.

Organic Waste Converter at Ambattur plant:

Converts 250 kg/day food waste into bio-manure

Eliminated transport emissions and landfill disposal.

ETP Optimization

Reduced chemical sludge from 10 to 5 MT/year

Improved compliance, efficiency, and cost savings

Practices now scaled across ETP/STP operations.

8. Sustainability Week & Employee-Driven Innovation

CVS Sustainability Week 2025 engaged over 4,300 employees through:

- Sustainability pledges
- Toolbox talks on energy, water, waste, and food conservation
- Idea Garden Campaign – 230+ ideas submitted
- Online Sustainability Quiz

This week reinforced long-term thinking and everyday sustainability actions.

9. Recognition and Awards

The organization received numerous prestigious awards, including:

- Ambattur team won Tamil Nadu State Safety Award – 1st Place (Engineering category)
- Ambattur & Mahindra city team won CII EHS Excellence Awards – Gold, Silver, and Special Awards
- Ambattur & Mahindra city team QCFI SHEEN 2025 – Gold Awards for all participating teams
- JSR team won ACMA Regional Kaizen Awards – Safety Category
- Ambattur & Mahindra city won Anna University ESG Summit 2026 Gold Award for energy reduction initiative

These recognitions validate the Company's strong safety systems, innovation, employee ownership, and Vision Zero commitment.

VIII COMMUNITY DEVELOPMENT AND SOCIAL RESPONSIBILITY

As a responsible corporate citizen, the Company is committed to undertaking social responsibility and community development initiatives. During

the year, CSR activities were carried out through active employee participation and utilization of internal resources, primarily focusing on supporting underprivileged sections of society in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR Policy, with particular emphasis on areas surrounding its plant locations.

The Company views CSR as a strategic opportunity to create a meaningful and lasting positive impact by collaborating with communities, government bodies, and local authorities to drive sustainable social development. CSR projects are identified and implemented in alignment with the Company's policy framework. In line with statutory requirements, the Company earmarked 2% of the average net profits of the preceding three financial years for CSR initiatives, and all identified projects were successfully completed during the financial year ended March 31, 2026. Accordingly, there were no unspent amounts required to be transferred to any special account or specified funds.

The Company undertakes its CSR activities across four key focus areas, namely Road Safety, Community Development, Skill Development, and Environmental Sustainability.

Promoting road safety across India: In FY 2025–26, under the Road Safety CSR pillar, two key pan-India initiatives were completed. A Road Safety Awareness Programme delivered 30 training sessions via Authorized Service Centers and RTO collaborations, covering traffic rules, safe driving, and vehicle technologies across major transport hubs. It benefited 1,858 participants, including 1,267 drivers and 591 technicians, improving safety practices and awareness. Additionally, 500 Safety Tool Kits were distributed to technicians, containing protective gear and tools to enhance workplace safety. Overall, these efforts improved road discipline, reduced occupational risks, and supported safer transport and service ecosystems nationwide.

Supporting Communities: In FY 2025–26, three Community Service CSR projects were completed. First, three buildings at Utkarmit Madya Vidyalaya, Jamshedpur, were renovated, including fans, lighting, and improved toilet facilities, benefiting 370 students through safer infrastructure and better hygiene. Second, 15 solar streetlights were installed at Kasturba Gandhi Girls Residential School, enhancing safety and security for 510 girls through improved night-time visibility. Third, eye and general health check-ups were conducted for 1,858 drivers and mechanics during training sessions, enabling early detection of vision and lifestyle health issues, thereby promoting overall community well-being and safer working conditions.

Skilling Individuals:

NAPS Trainee – Training Program Summary

The NAPS Trainee Skill Development Program is designed to develop competent, disciplined, and industry-ready shop floor professionals through structured training aligned with ZF DNA and World Class Manufacturing practices. The program focuses on building strong foundations in safety, ethics, and workplace culture while equipping trainees with essential technical skills and promoting a quality-driven mindset.

The curriculum comprises 12 structured modules integrated with DOJO 2.0 simulation-based learning, combining classroom sessions, practical exposure, and hands-on demonstrations. Key areas include Environment, Health & Safety (EHS), 5S practices, Total Employee Involvement, and shop floor discipline. Trainees gain product knowledge, particularly in Air Brake Systems, and learn the use of hand tools, gauges, and measuring instruments. The program also introduces machining basics, quality principles, TPM concepts, and organizational values.

DOJO 2.0 simulations reinforce learning across safety compliance, engineering concepts such as pneumatic and hydraulic systems, quality tools, and manufacturing excellence practices like waste elimination and autonomous maintenance.

Upon completion, trainees demonstrate safe working behavior, adherence to quality standards, understanding of manufacturing processes, and active participation in continuous improvement initiatives, ensuring readiness for productive and sustainable operations.

Environmental Sustainability: The Company undertakes environmental sustainability as key pillar and has implemented a suite of renewable energy solutions, , water conservation, and green cover expansion to foster long-term societal impact. Several solar-powered infrastructure projects were implemented to enhance road safety while reducing reliance on conventional energy. In Kanchipuram and Chengalpattu districts, solar traffic signals and hi-mast lights were installed. Additional hi-mast solar lighting was deployed in Ambattur, Jamshedpur, and Barabanki, while rural and educational areas in Lucknow benefited from solar streetlights, improving safety and accessibility.

A tree plantation drive at the Oragadam facility resulted in 500 native saplings being planted, with participation from employees and their families, promoting biodiversity and community engagement. Supporting infrastructure includes rainwater harvesting and solar-powered irrigation systems, ensuring sustainable maintenance without fossil fuel dependency. Together, these initiatives strengthen environmental stewardship, reduce carbon footprint, and support safer, greener communities.

IX FINANCIAL STATEMENT

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2026	Year ended 31.03.2025	Year ended 31.03.2026	Year ended 31.03.2025
Revenue from Operations	4,05,547.93	3,80,408.92	4,11,894.25	3,83,096.25
Other Income	18,583.44	10,974.90	18,318.96	10,819.72
Total Income	4,24,131.37	3,91,383.82	4,30,213.21	3,93,915.97
Profit before interest depreciation and tax	81,517.00	73,520.17	83,025.80	73,927.53
Finance Costs	528.78	570.47	534.18	570.47
Depreciation	12,961.37	12,270.06	13,179.78	12,425.23
Profit before tax	68,026.85	60,679.64	69,311.84	60,931.83
Provision for taxation (including deferred tax and tax relating to earlier years)	17,359.30	14,813.82	17,597.07	14,858.83
Profit after tax	50,667.55	45,865.82	51,714.77	46,073.00
Other Comprehensive Income / (Loss) for the year net of tax	(506.92)	(426.22)	(506.92)	(426.22)
Total Comprehensive Income for the year Net of Tax	50,160.63	45,439.60	51,207.85	45,646.78

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	2025-26	2024-25	Significant changes compared to previous year. i.e., 25% or more	Detailed explanation for the change
Current ratio (times)	5.60	6.03	N.A	N.A
Debt-equity ratio	N.A	N.A	N.A	N.A
Debt service coverage ratio (times)	39.97	49.45	N.A	N.A
Return on equity ratio (%)	15	15	N.A	N.A
Inventory turnover ratio (times)	10.57	12.76	N.A	N.A
Trade receivables turnover ratio (times)	3.99	3.71	N.A	N.A
Trade payables turnover ratio (times)	6.51	6.43	N.A	N.A
Net capitals turnover ratio (times)	1.43	1.61	N.A	N.A
Net profit Margin (%)	12.49	12.06	N.A	N.A
Operating Profit Margin (%)	16.90	16.10	N.A	N.A
Return on capital employed (%)	18.55	18.83	N.A	N.A
Return on investments (%)	6.58	7.80	N.A	N.A
Return on net worth (%)	14.70	15.30	N.A	N.A

X 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

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	2025-2026
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 (as on date of the report)	INR 948.38 Lakhs
12.	Name of contact details of the person who may be contacted in case of any queries on the BRSR Report	C V Kavviya Phone: +91 44 4244 9514 E-mail: cv.kavviya@zf.com
13.	Reporting boundary	Standalone (Only for ZF CVCS India Ltd)
14.	Name of assurance provider	SGS India Private Limited (hereinafter referred to as SGS)
15.	Type of assurance obtained	Limited assurance on BRSR Core

Products and Services

16. 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	72.59%
2	Spares	Spares	14.25%
3	Software services / Research and development / Business services	Software services / Research and development / Business services	11.40%

17. 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

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Manufacturing Unit(s)	Number of office(s)	Others (warehouse)	Total
National	6	2	3	11
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 PIN-602 105

The Company has its ZF IT Center India and Global Engineering Centre (fka Technology Center India) Chennai situated at Porur, Chennai

The Company has three warehouses situated in Pune, Indore and Hosur.

19. 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 26 states and 4 union territories (Excluding Lakshadweep, Diu Daman)
International (No. of Countries)	We export to 18 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?

36.61%

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**20. 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)	1,999	1,603	80%	396	20%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	1,999	1,603	80%	396	20%
Workers						
4.	Permanent (F)	492	479	97%	13	3%
5.	Other than Permanent (G)	873	758	87%	115	13%
6.	Total workers (F + G)	1365	1237	91%	128	9%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	0	0	0%	0	0%
Differently abled workers						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	Total differently abled workers (F + G)	0	0	0%	0	0%

Note: As per BRSR guidelines, worker and employee definition does not constitute apprentices/trainees. Hence the same has not been included in the above figures.

21. 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 %

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11%	6%	17%	8%	2%	10%	12%	2%	14%
Permanent Workers	1.80%	0.00%	1.80%	1.80%	0.20%	2%	1%	0%	1%

Holding, subsidiary and associate companies (including joint ventures)

23. (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 by listed entity	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	Nil (60% holding is being held in the Listed entity)	
3	ZF CVCS Manufacturing India Pvt Ltd	Wholly owned subsidiary	100%	

CSR

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (in Rs.) – Rs. 4,05,547.93 Lakhs

(iii) Net worth (in Rs.) – Rs. 3,67,637.10 Lakhs

Transparency and Disclosure Compliances

25. 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 2025-26 Current Financial Year			FY 2024-25 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 [#]	8	0	All the complaints has been duly addressed and resolved	1	0	The complaint has been duly addressed and resolved

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 2025-26 Current Financial Year			FY 2024-25 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
Employees and workers (includes PoSH complaints)	Yes	3	1	Pending complaint was concluded as on date of the report	2	0	-
Customers	Yes ^{&}	Nil	Nil		Nil	Nil	-
Value Chain Partners	Yes [*]	Nil	Nil		Nil	Nil	-
Other (please specify) – Whistle Blower Complaints	Yes	10	0		4	0	-

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 victimization 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/1_ZF_CVCS_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

- 26. 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**

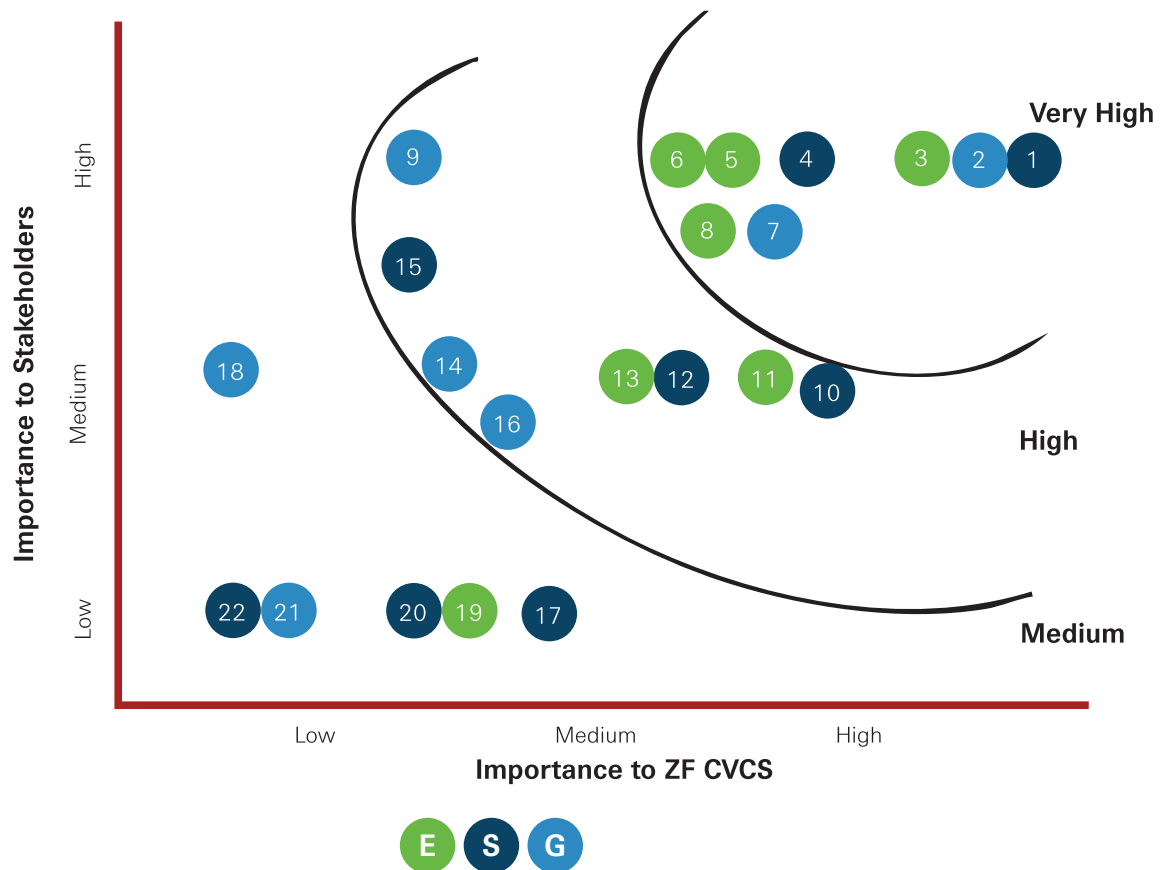
Overview of the entity's material responsible business conduct issues:

Identifying and classifying the environmental, social, economic and governance topics material is vital to our business and our internal and external stakeholders. Prioritizing the issues significant to us helps utilize resources prudently and reinforce our long-term value. The company carried out the materiality assessment in FY 21-22 which enable the company to identify material issues that directly or indirectly impacted the organization 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 prioritization 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 organization, 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 organization, 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 organization provides periodic safety trainings to promote employee well-being 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 minimize our water costs.	Monitoring of Water consumption and yearly reduction of water consumption by 2%	Negative
6	Emissions Management	O	The organization 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.	Positive
7	Labour Practices and D&I	R	Labour Practices and D&I are fundamental to the success of the organization. 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	Negative

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)
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 authorized agencies	Negative



Material issues for ZF CVCS

Very High

- Employee Health & Safety
- Ethical Business Practices
- Energy Management
- Risk Management
- Water Stewardship
- Emissions Management
- Labour Practices and D&I
- Waste Management

High

- Employee Engagement & Talent Development
- Anti-competitive Behavior
- Opportunities in Clean Technology
- Policy Influence
- Climate Change Vulnerability
- Responsible Sourcing

Medium

- Supply Chain Management
- Customer Privacy
- Biodiversity & Land usage
- Community Relations
- Opportunities in Green Building
- Board Structure & Management
- Responsible Investment
- Customer Management

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

(Y- Yes / N- No)

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_1583360_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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 also adheres to ISO 27001 to safeguard organization 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 Seven								
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:

(Y- Yes / N- No)

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

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 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 behavior among employees. It offers direction on principles of morally upright behavior 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	8	During the year, the Board of Directors of the organization spent approximately 37.5 hours on various familiarisation programmes comprising Policy formation & Policy Deployment, business, regulations, economy and environmental, social and governance parameters, Sustainability initiatives.	100%
Key managerial personnel	10	During the year, KMPs of the organization spent approximately 43.5 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	75	All employees of the organization undergo various training programmes throughout the year. During the year, most trainings happened through blended learning model which entailed instructor Lead, 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 and control Plan • 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 • 3K Training 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.	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
Workers	83	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 EHS • Awareness on ZF PS • 7 QC Tools ZF • 3K Training • ZF DNA Quality • Industrial Safety • Behavioral Safety • First Aid Training • LOTO Awareness • Yoga awareness • Induction programmes for new recruits	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 2025-26	FY 2024-25
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 2025-26	FY 2024-25
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 2025-26	FY 2024-25
i) Accounts payable x 365 days	1,59,47,693.15	1,26,18,181.4
ii) Cost of goods/services procured	2,80,891.83	2,64,009.72
iii) Number of days of accounts payables	57	48

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:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	1.08%	19.12%
	b. Number of trading houses where purchases are made from *	23	161
	c. Purchases from top 10 trading houses as % of total purchases from trading houses**	95.24%	53.68%
Concentration of Sales	a. Sales to dealer / distributors as % of total sales	16%	12%
	b. Number of dealers / distributors to whom sales are made- Nos	262	234
	c. Sales to top 10 dealers / distributors as % of total sales to dealer / distributors	57%	55%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	8.9%	7.4%
	b. Sales (Sales to related parties / Total Sales)	24.6%	25.1%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	22.8%	20.72%
	d. Investments	36.1%	36.06%

*A "trading house" is a specialized legal entity primarily engaged in the business of export, import, and/or domestic trade of goods and services, facilitating such import, export and/or domestic trade and providing related services to support these transactions.

**Purchases from trading houses for FY 2025-26 has been computed after including all types of procurement as per the guidelines set forth in SEBI's circular dated December 20, 2024, and in alignment to Industry Standards Forum guidance for BRSR Core.

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
14	Various topics are covered under the training as follows, • Product and Advanced product Knowledge • AIAG VDA - FMEA Overview: Failure modes, Risk priority numbers, severity, occurrence detection • Preparation for Launch Readiness • Safety and Special characteristic of products • Run@Rate (R@R) • ZF Product, process, change management & conditions • Quick Response Quality Control - 12 steps methodology of QRQC tool • Material Handling techniques - Shop floor Materials Handling techniques • Cleanliness achieving techniques - Need for cleanliness, ISO standards, Gravimetry • 8D & Problem-solving Techniques - 8 dimensions of Problem Solving Techniques • SPC and Control Plan - Statistical Process control, Cp, Cpk and control Plan documents • PLC programming - PLC function & Ladder programming, Driving Business excellence through ESG - Sustainability Goals & Targets Awareness	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 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)	Details of improvements in environmental and social impacts
R&D	0.30%	0.04%	Key initiatives both in our R&D operations and product improvement from a perspective using alternative fuels and efficiency optimization were carried out in the current financial year
Capex	3.58%	0.13%	Please refer to our carbon reduction improvement effort in Principle 6 Essential Indicator 8. For other activities related to water management, energy efficiency and waste management, kindly refer Principle 6 Leadership Indicator 4.

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) -**
Yes. The Organization 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?
48.30.% (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 minimize 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 26 (Current financial year)	FY 25 (Previous financial year)
Aluminium	-	-
Iron Castings	-	-

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 26 (Current financial year)			FY 25 (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 labor practices, the company strictly adheres to labor laws and regulations ensuring fair wages, reasonable working hours, and the elimination of forced or child labor. 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	1,603	1,603	100%	1,603	100%	NA	NA	1,603	100%	1,603	100%
Female	396	396	100%	396	100%	396	100%	NA	NA	396	100%
Total	1,999	1,999	100%	1,999	100%	396	100%	1,603	100%	1,999	100%
Other than Permanent employees											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

Note: As per BRSR guidelines, worker and employee definition does not constitute apprentices/trainees. Hence the same has not been included in the above figures for FY 2025-26.

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	479	479	100%	479	100%	NA	NA	479	100%	479	100%
Female	13	13	100%	13	100%	13	100%	NA	NA	13	100%
Total	492	492	100%	492	100%	13	100%	479	100%	492	100%
Other than Permanent workers											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

Note: As per BRSR guidelines, worker and employee definition does not constitute apprentices/trainees. Hence the same has not been included in the above figures for FY 2025-26.

- c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.41%	0.38%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26			FY 2024-25		
	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%	36%	Yes	100%	15%*	Yes
ESI	NA	73%	Yes	NA	86%	Yes
Others – please specify	NA	NA	NA	NA	NA	NA

*Only permanent workers are covered under gratuity scheme

3. Accessibility of workplaces

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.

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 recognized by the listed entity:

Category	FY 2025-26			FY 2024-25		
	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	479	479	100%	454	454	100%
Female	13	13	100%	5	5	100%
Total	492	492	100%	459	459	100%

* Not applicable to permanent employees as they are not part of Union

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	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	1,603	1,603	100%	1,603	100%	1,663	1,663	100%	1,663	100%
Female	396	396	100%	396	100%	366	366	100%	366	100%
Total	1,999	1,999	100%	1,999	100%	2,029	2,029	100%	2,029	100%
Workers										
Male	479	479	100%	479	100%	2,670	2,670	100%	2,670	100%
Female	13	13	100%	13	100%	423	423	100%	423	100%
Total	492	492	100%	492	100%	3,093	3,093	100%	3,093	100%

Note: As per BRSR guidelines, worker and employee definition does not constitute apprentices/trainees. Hence the same has not been included in the above figures for FY 2025-26.

9. Details of performance and career development reviews of employees and workers:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1,603	1,603	100%	1,663	1,663	100%
Female	396	396	100%	366	366	100%
Total	1,999	1,999	100%	2,029	2,029	100%
Workers						
Male	479	479	100%	2,670	2,670	100%
Female	13	13	100%	423	423	100%
Total	492	492	100%	3,093	3,093	100%

Note: As per BRSR guidelines, worker and employee definition does not constitute apprentices/trainees. Hence the same has not been included in the above figures for FY 2025-26.

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 minimizing 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 to 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 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees*	0	0
	Workers	0.28	0.64
Total recordable work-related injuries	Employees	0	0
	Workers	3	4
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

Note: This data includes Trainees

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

ZF conducted a comprehensive safety training program focused on strengthening workplace safety awareness and practices. The session covered essential topics such as

- Safety Training
- Fire Fighting
- LOTO and its importance on shop floor LOTO – its types and 8 steps of LOTO procedure
- Session on Unsafe Act

Our operations are **certified to ISO 45001**, reinforcing our commitment to maintaining the highest standards of workplace health and safety.

- Worker LTIFR improved significantly from 0.64 to 0.28, reflecting a reduction of over 50%.
- Recordable injuries among workers decreased from 4 to 3, indicating improved incident prevention and control.
- Employee safety performance remained strong, with zero injuries and zero LTIFR recorded during the year.
- Zero fatalities and no high-consequence injuries were reported for both employees and workers.

Build the SHIELD: Strengthening Safety Culture Through Collective Action

- ZF reinforced its EHS culture through the “Build the SHIELD” initiative, focusing on safer, healthier, and more sustainable workplaces. The program emphasized ergonomics, reduced operator fatigue using AI insights, and improved energy and resource efficiency through the 10R principles.
- Key actions included signature campaigns, theme-based posters, and toolbox talks, leading to improved safety practices, higher awareness, and stronger alignment across teams.

13. Number of complaints on the following made by employees and workers

	FY 2025-26			FY 2024-25		
	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.

Failure Mode and Effects Analysis (FMEA) practices were reviewed and aligned with safety and operational objectives to ensure the systematic identification of potential failure modes, the strengthening of preventive and mitigation controls, and improved integration between machine guarding and overall machine safety aspects.

The aligned FMEA framework has enhanced risk visibility, enabling more informed and proactive decision-making across teams. In addition, all EHS incidents are analyzed through A3 reports, incorporating structured incident investigation and Why-Why analysis with the involvement of all relevant stakeholders. These findings are reviewed with leadership, and appropriate corrective actions are implemented to prevent recurrence.

Lessons learned from incidents are effectively communicated across sites to address similar root causes, with systems in place to track the implementation and effectiveness of these actions. Furthermore, observations and improvement opportunities identified through internal and external assessments are systematically recorded and addressed through corrective actions across all sites to drive continuous improvement.

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 Mediciam Policy, Group personal Accidents policy & Employee Deposit linked insurance scheme to protect employee's family live hood.

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 compromise 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 are 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 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)	FY 2025-26 (Current financial year)	FY 2024-25 (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 utilization 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 recognize 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 of 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
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 behavior), ISO and OHSAS standards, collaboration and digitalisation opportunities

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
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 labor. 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

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	1,999	1,999	100%	2,029	2,029	100%
Other than permanent	0	0	100%	0	0	100%
Total employees	1,999	1,999	100%	2,029	2,029	100%
Workers						
Permanent	492	492	100%	459	459	100%
Other than permanent	873	873	100%	2634	2634	100%
Total workers	1,365	1,365	100%	3,093	3,093	100%

Note: As per BRSR guidelines, worker and employee definition does not constitute apprentices/trainees. Hence the same has not been included in the above figures for FY 2025-26.

- Details of minimum wages paid to employees and workers

Category	FY 2025-26					FY 2024-25				
	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	1,603	0	0	1,603	100%	1,663	0	0%	1,663	100%
Female	396	0	0	396	100%	366	0	0%	366	100%
Other than permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Workers										
Permanent										
Male	479	0	0%	479	100%	454	0	0%	454	100%
Female	13	0	0%	13	100%	5	0	0%	5	100%
Other than permanent										
Male	758	0	0%	758	100%	2216	0	0%	2216	100%
Female	115	0	0%	115	100%	418	0	0%	418	100%

Note: As per BRSR guidelines, worker and employee definition does not constitute apprentices/trainees. Hence the same has not been included in the above figures for FY 2025-26.

3. 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	2,91,73,924	-	-
Key managerial personnel*	1	2,91,73,924	2	58,70,059
Employees other than BoD and KMP	1602	16,86,843	394	11,77,685
Workers	1237	4,80,000	128	3,00,000

* Includes Managing Director who have served full year or part of the year and excludes Non- Executive Directors

b. Gross wages paid to females as % of total wages paid by the entity, in the following format

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	14.42%	14.01%

4. 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.

5. 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.

6. Number of complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	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	3	1	Pending complaint was concluded as on date of the report	2	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	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	3	2
Complaints on POSH as a % of female employees / workers	0.57	0.25
Complaints on POSH upheld	2	2

8. 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.

9. 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.

10. 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	-

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 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 2025-26: The PPP conversion factor 20.34 is based on data published by International Monetary Fund for the year 2026 has been used across the entire principle 6 for the calculation intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) calculation.

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.

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A) MJ	92,855,759.22	83,301,613.20
Total fuel consumption (B) MJ	-	-
Energy consumption through other sources (C) MJ	-	-
Total energy consumed from renewable sources (A+B+C) MJ	92,855,759.22	83,301,613.20
From non-renewable sources		
Total electricity consumption (D)	22,492,258.56	29,624,191.20
Total fuel consumption (E)	12,985,892.48	16,309,382.40
Energy consumption through other sources (F)	-	-
Total energy consumption (D+E+F)	35,478,151	45,933,573.60
Total energy consumed (A+B+C+D+E+F)	128,333,910	129,235,186.80
Energy intensity per rupee of turnover KJ/Rupees (Total energy consumption/ turnover in rupees)	3.16	3.40
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	64.37	70.19
Energy intensity in terms of physical output Energy intensity– the relevant metric may be selected by the entity (GJ/MT)	2.03	2.43

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.

Yes, the assurance has been carried out by SGS India Pvt. Ltd.

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 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	4,314	0
(ii) Groundwater	17,373	16,883
(iii) Third-party water (municipal water supplies)	79,579	68,986
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,01,266	85,869
Total volume of water consumption (in kilolitres)	1,01,266	85,869
Water intensity per rupee of turnover (Total water consumption/ Revenue from Operations)	24.9	22.6
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	507.89	466.4
Water intensity in terms of physical output	1.9	1.6
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.

Yes, the assurance has been carried out by SGS India Pvt. Ltd.

4. Provide the following details related to water discharged

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)	All ZF CVCS plants are ZLD* and hence there is no water discharge.	
(i) To Surface water		
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.

Yes, the assurance has been carried out by SGS India Pvt. Ltd.

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 across three sites where wastewater is generated, which is then processed in Effluent Treatment Plants (ETPs) for treatment and reuse. Any treated water that does not meet reclaimed water standards is directed for evaporation. Domestic wastewater generated within office premises is also treated and reused for gardening and toilet flushing. Additionally, the company ensures that no untreated water is discharged into the ground or drains, maintaining a Zero Liquid Discharge (ZLD) approach. Targeted actions included daily TDS monitoring, close tracking of treated water quality, optimized chemical dosing based

on actual needs, and efficient routing of sump water to settling tanks. These measures improved ETP performance, reduced variability, and minimized sludge generation. As a result, chemical sludge decreased by 5 metric tons annually, with daily output dropping from 31 kg to 15 kg, while treated water consistently met standards and efficiency improved. The initiative also enhanced sustainability, boosted productivity, reduced downtime, ensured compliance, and strengthened employee ownership and engagement.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY 2025-26	FY 2024-25
NOx	MT	0.78	0.74
SOx	MT	BDL	BDL
Particulate matter (PM)	MT	0.012	0.013
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.

Yes, the assurance has been carried out by SGS India Pvt. Ltd.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Unit	FY 2025-26	FY 2024-25
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	1,265.38	1,763
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	4,435.97	5,891.92
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/ Cr. Rupees	1.4	2.01
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 Cr.	28.59	41.57
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	0.1

#There is significant reduction in the Scope 2 emissions for the current FY because of the organizations initiatives to utilize 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.

Yes, the assurance has been carried out by SGS India Pvt. Ltd.

8. Does the entity have any project related to reducing greenhouse gas emission? If Yes, then provide details.

- Achieved **237 tons of annual CO₂ reduction** through optimization of centralized air-conditioning and energy efficiency improvements at the Ambattur plant.
- Implemented a structured energy program identifying **2,617 MWh annual energy-saving potential**, significantly reducing Scope 2 emissions.
- Installed a **200 kWp rooftop solar system** at Lucknow, reducing grid dependency and increasing renewable energy share (over **40% in peak months**).

- Eliminated fossil fuel use in canteen operations at Mahindra City, reducing **~207 tons of CO₂e emissions annually** by replacing diesel and LPG with electric systems.
- Introduced an **Organic Waste Converter**, reducing emissions from waste transport and landfill while promoting circular resource utilization.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total waste generated (in metric tonnes)		
Plastic waste (A)	89.24	70.10
E-waste (B)	8.19	6.90
Bio-medical waste (C)	0.04	0.04
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)	134.40	118.70
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	5,214.86	5,531.77
Total (A+B + C + D + E + F + G + H)	5,446.73	5,728.00
Waste intensity per rupee of turnover (Total waste generated/ Revenue from Operations)	1.29	1.50
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	27.32	31.00
Waste intensity in terms of physical output	0.10	0.10
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	5312.29	4875.80
(ii) Re-used	0	513.87
(iii) Other recovery operations	120.59	-
Total	5432.88	5389.67
For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.04	3.26
(ii) Landfilling	1.26	-
(iii) Other disposal operations	0	-
Total	1.30	3.26

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.

Yes, the assurance has been carried out by SGS India Pvt. Ltd.

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 our **zero waste to landfill and incineration strategy**, the Ambattur plant partnered with a certified waste recycler to enable the co-processing of hazardous waste in the cement industry, with plans to extend this initiative to the Mahindra City site. In parallel, a robust waste management system has been implemented across operations to ensure effective segregation of waste at source. Further strengthening the sustainability efforts, a **fully automatic Organic Waste Converter (OWC)** with a capacity of 250 kg/day was installed at the Ambattur plant, transforming canteen food and vegetable waste into bio-manure within 24 hours using high-efficiency technology. The generated manure is utilized within the plant to enhance soil quality and support green initiatives. This integrated approach not only minimizes landfill dependency but also reduces carbon emissions associated with waste transportation, while promoting circular economy practices and efficient resource utilization.

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 sensitive 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

	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water	38,097	28,596
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)	38,097	28,596
Total volume of water consumption (in kilolitres)	38,097	28,596
Water intensity per rupee of turnover (Water consumed / turnover)	9.39	7.52
Water intensity (optional) – the relevant metric may be selected by the entity	0.6	0.5
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	-	-

	FY 2025-26	FY 2024-25
(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	-	-
Total water discharged (in kilolitres)	-	-

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.

Yes, the assurance has been carried out by SGS India Pvt. Ltd.

2. Please provide details of total Scope 3 emissions & their intensity:

Parameter	Unit	FY 2025-26	FY 2024-25
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	1,16,890.77	1,23,475
Total Scope 3 emissions per rupee of turnover	tCO ₂ e/INR Cr.	28.82	32.46
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e/Metric Tonnes	1.85	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.

Yes, the assurance has been carried out by SGS India Pvt. Ltd.

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	Outcome of the initiative
1.	Renewable Energy	On-site Renewable Energy Expansion	A 200 KWp rooftop solar plant was commissioned at the Lucknow facility.	Generated 40% clean electricity onsite and supplement conventional power consumption.
2.	Water Recycles	Rainwater Harvesting & ZLD	1,200 KL rainwater harvesting pond at Jamshedpur site and Zero Liquid Discharge systems across plants.	Reduced 35% freshwater consumption and enabled water recycling.
3.	Zero Waste to Landfill	Organic Waste Converter (OWC)	In-house processing of 250 kg/day canteen waste into manure.	Reduced landfill disposal and improved resource recovery.
4.	Energy Efficiency	Energy Optimization Projects	51 projects including HVAC optimization, VFD installation, heat pumps, and chiller improvements.	Improved energy efficiency, reduced energy consumption, lowered carbon emissions, and enhanced operational sustainability.

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, analyze 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

8. How many Green Credits have been generated or procured:

- a. By the listed entity – 0
- b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners - 0

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 8 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	Indo-German Chamber of Commerce	National
2	Confederation of Indian Industry	National
3	Confederation of Indian Industry (IWN)	National
4	Madras Management Association (MMA)	State
5	The Madras Chamber of Commerce & Industry (MCCI)	State
6	Automotive Component Manufacturers Association of India (ACMA)	National
7	IFQM membership	National
8	Quality Circle Forum of India - Secunderabad	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 behavior during the financial year.		

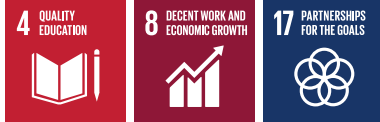
Leadership Indicators

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	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 recognizes 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 ₹)
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 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	37%	40.99%
Directly from within India	78.65%	79.92%

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 2025-26	FY 2024-25
Rural	1%	36%
Semi-urban	6%	Nil
Urban	0%	9%
Metropolitan	93%	55%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban)*

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 marginalized /vulnerable groups? (Yes/No) – No, The Company follows a standardised procurement policy across all suppliers and vendors
- (b) From which marginalized /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 marginalized groups
1	Solar based traffic signals (3Way- 3 nos) and Solar High Mast Lights (3 nos) at Kancheepuram District	30,000	75%
2	Solar based traffic signals (3Way- 1 nos) and Solar High Mast Lights (1 nos) at Chengalpattu District	30,000	75%
3	National Apprenticeship Promotion Scheme (NAPS)	322	80%
4	O2 Plant AMC - KK Nagar (3 rd Year)	5,000	80%
5	AMC For Solar Lights, Hi-mast Lights, Solar Systems at PHC	75,000	80%
6	Installation of Solar High Mast lights 2 nos at Ambattur area - CAIIUC	25,000	70%
7	Installation of Solar High Mast lights 2 nos at Jamshedpur	50,000	100%
8	Solar based high mast light (3 Nos) at Railway Station Road, Barabanki, Lucknow	10,000	75%
9	Solar based street lights at Dhakauli Village, Barabanki – 30 Nos (Single Arm)	12,000	90%
10	5 Nos. Single Arm Solar Street Light at Kasturba Gandhi awasiya Balika vidhyalaya at Barabanki	150	100%
11	Installation of Solar based Single arm Street Lights (15 nos) at Kasturba Gandhi Residential Girls school- Jamshedpur	700	100%
12	School infrastructure development (Renovation) at Utkarmit Madya vidyalya Jgernathpur Gamahria	370	100%
13	Health & Eye-checkup for drivers & technicians	1,858	90%
14	Road Safety awareness for RTOs	700	90%
15	Road Safety awareness for Fleet drivers & Technicians	1,158	90%
16	Greenary Development at Oragadam (500 tree plantation, rainwater harvesting with 1000m3 capacity and reuse water for 500 trees)	1,000	60%
17	7 Himast light at SIDCO Women Industrial Estate	65,000	75%
18	Safety kit for Technician	500	90%

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 analyze 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	20%
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 2025-26		Remarks	FY 2024-25		Remarks
	Received 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 as listed below:

PS 24-0006 Cyber & Information Security

PS 24-0030 Business Continuity Management (BCM)

PS 23-0040 ZF Data Privacy

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)
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. We conducted 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)

Yes, to prevent any kind of personal injury during dismantling of products containing heavily compressed springs, necessary warning information is clearly indicated on product labels in Bold red colour. For example: Spring Brake actuators, DDSBA, DDU, Air Drier.

As per regulations, the Company adheres to displaying 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

INDEPENDENT LIMITED ASSURANCE STATEMENT

Independent Limited Assurance Statement to ZF Commercial Vehicle Control Systems India Limited on its BRSR Core Indicators for FY 2025-26

The Board of Directors,

ZF Commercial Vehicle Control Systems India Limited

Plot No.3 (SP), Ambattur Industrial Estate, Chennai - 600058

NATURE OF THE ASSURANCE

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by ZF Commercial Vehicle Control Systems India Limited (the 'Company') to conduct an independent assurance of the Company's Business Responsibility and Sustainability Reporting (BRSR) (the 'Core Report') for the reporting period of April 1, 2025, to March 31, 2026. SGS India has conducted a Limited level of Assurance for the BRSR core indicators. This assurance engagement was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410.

REPORTING FRAMEWORK

The Report has been prepared following

1. BRSR Core and Non-Core Framework for Assurance and ESG Disclosures for Value Chain (Circular No. HO/49/14/14(7)2025-CFD-POD2/1/3762/2026), dated 30 January 2026 circular.
2. Greenhouse Gas Protocol Standard.
3. ISO 14064-1:2018 Standard.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all ZF Commercial Vehicle Control Systems India Limited internal and external Stakeholders.

RESPONSIBILITIES

The information in the report and its presentation is the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

ASSURANCE STANDARD

SGS has conducted a Limited level of Assurance for BRSR core parameters under 9 ESG Attributes, including all essential indicators as specified under BRSR standards and amendments made as on date. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (Revised) and ISAE 3410 (Assurance Engagements other than Audits or Reviews of Historical Financial Information).

Our evidence-gathering procedures were designed to obtain a 'Limited level of assurance, which is a Moderate level of assurance in accordance with ISAE 3000(revised) standard, but is not absolute certainty. It involves obtaining sufficient appropriate evidence to support the conclusion that the information presented in the report is fairly stated and is free from material misstatements.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing, and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social, and ethical auditing and training; and environmental, social, and sustainability report assurance. SGS India affirms our independence from ZF Commercial Vehicle Control Systems India Limited, being free from bias and conflicts of interest with the organization, its subsidiaries, and stakeholders.

The assurance team was assembled based on their knowledge, experience, and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification, and GHG Validation Lead Auditors, and experience on the SRA Assurance.

SCOPE OF ASSURANCE

The assurance process involved assessing the quality, accuracy, and reliability of BRSR Indicators (KPIs) within the report for the period April 1, 2025, to March 31, 2026. The reporting scope and boundaries include the corporate office and all branches spread across different states in India.

ASSURANCE METHODOLOGY

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of their comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR core and essential indicators, and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

LIMITATIONS

SGS India did not come across any limitation to the agreed scope of the assurance engagement. SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources, and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party financial reports audited by the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

THE ASSURANCE SCOPE EXCLUDES:

- Disclosures other than those mentioned in the assurance scope.
- Data reviews outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in "Findings and Conclusions."
- The assurance engagement considers an uncertainty of $\pm 5\%$ based on the materiality threshold for Assumption/estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Mapping of the Report with reporting frameworks other than those mentioned in the Reporting Criteria above.

FINDINGS AND CONCLUSIONS

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report (as per the table below) is complete, accurate, reliable, fairly stated in all material respects, and is prepared in line with the BRSR requirements.

The list of BRSR Core Indicators that were verified within this assurance engagement is given below:

Sr. No.	BRSR Core Attribute	BRSR Core Indicator
1	Greenhouse gas (GHG) footprint	• Total scope 1 emissions • Total scope 2 emissions • GHG emission intensity (scope 1 +2)
2	Water footprint	• Total water consumption • Water consumption intensity • Water discharge by destination and levels of treatment
3	Energy footprint	• Total energy consumed • % of energy consumed from renewable sources • Energy intensity

Sr. No.	BRSR Core Attribute	BRSR Core Indicator
4	Embracing circularity	• Plastic waste • E-waste • Bio medical waste • Construction and demolition waste • Battery waste • Radioactive waste • Other hazardous waste • Other non-hazardous waste • Total waste generated • Waste intensity • Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations. • For each category of waste generated, the total waste disposed of by the nature of the disposal method
5	Employee well-being and safety	• Spending on measures towards the well-being of employees as a % of the total revenue of the Company • Details of safety-related incidents for employees
6	Enabling gender diversity in business	• Gross wages paid to females as % of wages paid. • Complaints on POSH
7	Enabling inclusive development	• Input material sourced from MSMEs/ small producers as % of total purchases. • Job creation in smaller towns: Wages paid to people employed in smaller towns as % of total wage cost
8	Fairness in engaging with customers and suppliers	• Instances involving loss/breach of data of customers as a percentage of total data breaches or cybersecurity events.
9	Openness of business	• Concentration of purchases & sales done with trading houses, dealers, and related parties • Loans and advances & investments with related parties

For and on behalf of SGS India Private Limited

Kalpesh Thombare

National Sustainability Manager - ESG & Sustainability Services,
SGS India
Mumbai, India

13th May 2026

John Wesley M

Lead Verifier - ESG & Sustainability Services,
SGS India
Chennai, India.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The 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 & 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, 2026, the Board of Directors ('the Board') comprised of 8 Directors as follows:-

- Mr. Akash Passey, (DIN: 01198068)
Non-Executive & Non-Independent Director
(Chairman)
- Mr. Paramjit Singh Chadha, (DIN: 06972549)
Managing Director*
- Mr. Mahesh Chhabria, (DIN: 00166049)
Independent Director
- Ms. Amrita Verma Chowdhury, (DIN: 02178520)
Independent Director
- Ms. Rashmi Urdhwarashe, (DIN: 08668140)
Independent Director
- Mr. Neeraj Sagar, (DIN: 09475452) Independent
Director
- Dr. Lars Orlik, (DIN: 10390472) Non-Executive
Non-Independent Director[#]
- Mr. Ivan Brajdic, (DIN: 11347495) Non-Executive
Non-Independent Director[^]

*Appointed w.e.f. July 1, 2025

[#]Appointed w.e.f August 21, 2025 & resigned on
April 30, 2026 (close of business hours)

[^]Appointed w.e.f. November 5, 2025

In addition to the above, the following are the changes occurred in the composition of the Board as on the date of this report,

- Mr. Mahesh Chhabria was re-appointed as an Independent Director of the Company for a second term of five consecutive years from May 16, 2025 to May 15, 2030, which was approved by shareholders through a postal ballot concluded on June 21, 2025.
- Upon completion of tenure Mr. P. Kaniappan (DIN: 02696192) retired at the close of business hours on June 30, 2025, from position of as Managing Director of the Company.
- The Board of Directors, at their meeting held on February 6, 2025, appointed Mr. Paramjit Singh Chadha as Managing Director of the Company for a term commencing from July 1, 2025 to December 31, 2027 (both days inclusive) which was subsequently approved by shareholders through a postal ballot concluded on June 21, 2025
- Mr. Philippe Colpron (DIN: 08344534) Non-Executive Non-Independent Director, who did not offer himself for re-appointment at the 21st Annual General Meeting, retired by rotation at the said meeting dated August 20, 2025.
- Dr. Lars Orlik was appointed as a Non-Executive, Non-Independent Director of the Company with effect from August 21, 2025 at the 21st Annual General Meeting. Subsequently, he has resigned from the position with effect from the close of business hours on April 30, 2026, owing to his personal and professional commitments.
- Dr. Christian Brenneke (DIN:08344547) Non-Executive Non-Independent Director, resigned with effect from the close of business hours on November 4, 2025, owing to his increased responsibilities and commitments as Executive Vice President of the Electronics & ADAS Division.
- Mr. Ivan Brajdic was appointed as an Additional Director (Non-Executive and Non-Independent) with effect from November 5, 2025 and later designated as a Director (Non-Executive and Non-Independent), liable to retire by rotation, subsequent to shareholders' approval on December 18, 2025 through a postal ballot.
- Ms. Claudia Christina Jehle (DIN: 11680809) has been appointed as the Non-Executive Non-Independent Director of the company, liable to retire by rotation with effect from May 4, 2026, subject to approval of the Shareholders at the 22nd Annual General Meeting.

During the financial year 2025-26, 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 2025-26, 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 the year 2025-26, the Board met five times and the gap between two meetings did not exceed 120 days. Attendance of the Directors for the meetings held during the year 2025-26, is as follows:

Attendance Particulars									
Name of the Director	AGM held on August 20, 2025	Board Meetings					No. of meetings held during Tenure	Present	% of attendance in Board meeting
		1	2	3	4	5			
		May 15, 2025	August 12, 2025	November 4, 2025	February 10, 2026	March 16, 2026			
Akash Passey							5	5	100%
Paramjit Singh Chadha		NA					4	4	100%
P Kaniappan	NA		NA	NA	NA	NA	1	1	100%
Mahesh Chhabria							5	5	100%
Neeraj Sagar							5	5	100%
Amrita Verma Chowdhury							5	5	100%
Rashmi Urdhwareshe						L	5	4	80%
Philippe Colpron			L	NA	NA	NA	2	1	50%
Christian Brenneke	L		L		NA	NA	3	2	66.67%
Lars Orlik	NA	NA	NA			L	3	2	66.67%
Ivan Brajdic	NA	NA	NA	NA			2	2	100%
% of attendance	87.50%	100%	75%	100%	100%	75%			

- Present - Attended through VC L - Leave of absence NA - Not Applicable

2.3 Directorships and committee memberships in other companies as on March 31, 2026

Name of Director	No. of Directorship in other Cos. Including this Company*	Membership of Committees in other Public Cos. including this Company #	Chairmanship of Committees in other Public Cos. including the Company @
Mr. Akash Passey	1	-	-
Mr. Paramjit Singh Chadha	1	1	-
Mr. Mahesh Chhabria	6	5	3
Mr. Neeraj Sagar	2	2	-
Ms. Amrita Verma Chowdhury	8	6	1
Ms. Rashmi Urdhwareshe	8	6	1
Dr. Lars Orlik	1	1	-
Mr. Ivan Brajdic	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
Mahesh Chhabria	Shoppers Stop Limited	Independent Director
	Deepak Nitrate Limited	Independent Director
	Indosolar Limited	Independent Director
	Waaree Energies 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

None of the Directors is a member in more than 10 Board level committees or Chairperson 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 of the Listing Regulations 17(1).

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 or Compliance Officer, General Manager - Tax and Legal Officer of the Company or Compliance Officer 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, 2026. 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 Familiarization Programmes

All new Non-Executive Independent Directors inducted to the Board are introduced to our Company culture through orientation sessions. The details of the familiarization program 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	Paramjit Singh Chadha	Mahesh Chhabria	Neeraj Sagar	Amrita Verma Chowdhury	Rashmi Urdhwareshe	Ivan Brajdic	Claudia Christina Jehle
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 review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 3) To examine the financial statement and auditor's report thereon;
- 4) To approve transactions of the company with related parties and modifications thereof including those for which the omnibus approval is provided;
- 5) To scrutinize intercorporate loans and investments;
- 6) To undertake valuation of undertakings or assets of the Company, wherever it is necessary;
- 7) To evaluate internal financial controls and risk management systems;
- 8) 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;
- 9) To approve payment to statutory auditors for any other services rendered by the statutory auditors;

- 10) 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 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.
- 11) To review, with the management, the quarterly financial statements before submission to the board for approval;
- 12) 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 utilized 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;
- 13) To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 14) To discuss with internal auditors any significant findings and follow up there on;
- 15) 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;
- 16) 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; as and then provided by NFRA, SEBI or any other authority.
- 17) To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the Whistle Blower mechanism;
- 19) To approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) 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.
- 21) To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- 22) To review the utilisation of loans and or advances from/investment by holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary (whichever is lower) including existing loans, advances and other investments.
- 23) 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.
- 24) 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;
- 25) To seek information from any employee;
- 26) To secure attendance of outsiders with relevant expertise, if it considers necessary;
- 27) 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;

3.1 Composition, name of members and the chairman of the Audit Committee as on March 31, 2026 is as follows:

Name of the Directors	Status
Mahesh Chhabria	Independent Director (Chairperson)
Amrita Verma Chowdhury	Independent Director (Member)
Lars Orlik*	Non-executive, Non-Independent Director (Member)

* Ceased to be a member of the Committee effective from April 30, 2026.

Note: Ms. Claudia Christina Jehle was appointed as member of the Committee effective from May 4, 2026.

Mr. Mahesh Chhabria, Independent Director, serves as the Chairman of the Audit Committee. The Company Secretary/ Compliance Officer of the Company, acts as the Secretary to the Audit Committee. Prior to the reconstitution of the Committee with effect from November 5, 2025, the Audit Committee comprised Mr. Mahesh Chhabria (Chairman), Ms. Amrita Verma Chowdhury, and Dr. Christian Brenneke as its members. The Chairman of the Audit Committee was present at the Annual General Meeting held on August 20, 2025. The composition of the Committee is in accordance with the requirements of Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.

Details of the meetings held during the year under review and the attendance of the Committee members are provided in the table below:

Attendance Particulars									
Name of the Director	Audit Committee Meetings						No. of meetings held during Tenure	Present	% of attendance in Board meeting
	1	2	3	4	5	6			
	May 15, 2025	August 12, 2025	November 4, 2025	January 19, 2026	February 10, 2026	March 16, 2026			
Mahesh Chhabria							6	6	100%
Amrita Verma Chowdhury							6	6	100%
Lars Orlik	NA	NA	NA			L	3	2	66.67%
Christian Brenneke*		L		NA	NA	NA	3	2	66.67%
% of attendance	100%	66.67%	100%	100%	100%	66.67%			

*Ceased to be a member during the year

- 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, 2026 are as follows:

Name of the Directors	Status
Neeraj Sagar	Independent Director (Chairman)
Mahesh Chhabria	Independent Director (Member)
Akash Passey	Non-Executive Non-Independent Director (Member)

Neeraj Sagar, Independent Director, is the Chairperson of the Nomination and Remuneration Committee. The Company Secretary/Compliance Officer of the Company acts as the Secretary of the Nomination and Remuneration Committee. Prior to the reconstitution of the Committee with effect from November 5, 2025, the Nomination and Remuneration Committee comprised Ms. Amrita Verma Chowdhury (Chairman), Mr. Mahesh Chhabria, Mr. Neeraj Sagar and Dr. Christian Brenneke as its members. 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	Nomination and Remuneration Committee Meetings					No. of meetings held during Tenure	Present	% of attendance in Board meeting
	1	2	3	4	5			
	May 15, 2025	November 4, 2025	December 22, 2025	February 10, 2026	March 16, 2026			
Neeraj Sagar						5	5	100%
Mahesh Chhabria						5	5	100%

Attendance Particulars

Name of the Director	Nomination and Remuneration Committee Meetings					No. of meetings held during Tenure	Present	% of attendance in Board meeting
	1	2	3	4	5			
	May 15, 2025	November 4, 2025	December 22, 2025	February 10, 2026	March 16, 2026			
Akash Passey	NA	NA				3	3	100%
Christian Brenneke*			NA	NA	NA	2	2	100%
Amrita Verma Chowdhury*			NA	NA	NA	2	2	100%
% of attendance	100%	100%	100%	100%	100%			

*Ceased to be a member during the year

- 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 specify the manner/criteria for effective evaluation of performance of Board, its committees and individual Directors including independent directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- 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 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.
- 5) To devise a policy on diversity of board of Directors.

- 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 recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on his performance.
- 8) To recommend to the Board, all remuneration, in whatever form, payable to Directors, key managerial personnel and senior management.

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 Remuneration 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. 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 2025-26.

(Rs. in lakhs)

Name of the Director	Salary	Contribution to PF and other funds	Perquisites & Allowances	Performance Bonus	Others	Total
Paramjit Singh Chadha *	69.99	11.79	68.86	-	11.12	161.77
P Kaniappan#	22.73	191.82	44.69	156.73	5.70	421.67

*-Appointed w.e.f. July 1, 2025

#- Ceased to be a Director with effect from the close of business hours on June 30, 2025

4.6 Particulars of sitting fees and commission paid/payable to Non-Executive Independent Directors and Directors during the financial year 2025-26.

Name of the Directors	Sitting fees (INR)	Commission (INR)@	Total Rs. in Lakhs
Mahesh Chhabria	7.2	40.43	47.63
Amrita Verma Chowdhury	6.0	28.88	34.88
Rashmi Urdhwareshe	4.0	28.88	32.88
Neeraj Sagar	4.8	28.88	33.68
TOTAL	22.00	127.07	149.07

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 13, 2026, has considered and approved the commission payable to Independent Directors amounting to Rs. 40.43 lakhs to Mr. Mahesh Chhabria, Rs. 28.88 lakhs to Mr. Neeraj Sagar, Rs. 28.88 lakhs to Ms. Amrita Verma Chowdhury and Rs. 28.88 lakhs to Ms. Rashmi Urdhwareshe respectively. Other Non-executive Directors, Mr. Akash Passey, Mr. Philippe Colpron and Dr. Christian Brenneke, Dr. Lars Orlik and Mr. Ivan Brajdic 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.

Name of the Directors	Status
Amrita Verma Chowdhury	Independent Director (Chairperson)
Paramjit Singh Chadha	Managing Director (Member)
Rashmi Urdhwareshe	Independent Director (Member)
Neeraj Sagar	Independent Director (Member)

Ms. Amrita Verma Chowdhury is the Chairperson of the Stakeholders Relationship Committee. The Company Secretary/Compliance Officer of the Company acts as the Secretary of the Stakeholders Relationship Committee.

As required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulation) 2015, Ms. C V Kavviya has been appointed as interim Compliance Officer with effect from March 25, 2026 in the place of Ms. Muthulakshmi M, who resigned from position of Company Secretary and Compliance Officer w.e.f close of business hours on March 24, 2026. Prior to the reconstitution of the Committee with effect from November 5, 2025, the Stakeholders Relationship Committee comprised Mr. Akash Passey (Chairman), Mr. P Kaniappan (upto 30.6.2025), Ms. Rashmi Urdhwareshe and Mr. Philippe Colpron (upto 20.8.2025) as its members.

For any clarifications/ complaints, the shareholders may contact Ms. C V Kavviya, Compliance Officer of the Company at cv.kavviya@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:

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, 2026 are as follows:

Attendance Particulars							
Name of the Director	Stakeholders Relationship Committee Meetings				No. of meetings held during Tenure	Present	% of attendance in Board meeting
	1	2	3	4			
	May 15, 2025	August 12, 2025	November 4, 2025	February 10, 2026			
Amrita Verma Chowdhury	NA	NA	NA		1	1	100%
Paramjit Singh Chadha	NA				3	3	100%
Neeraj Sagar	NA	NA	NA	VC	1	1	100%
Rashmi Urdhwareshe					4	4	100%
Akash Passey				NA	4	4	100%
P. Kaniappan*		NA	NA	NA	1	1	100%
Philippe Colpron*	L	L	NA	NA	2	0	0%
% of attendance	75%	75%	100%	100%			

*Ceased to be a member during the year

- Present - Attended through VC L – Leave of absence

NA – Not Applicable

5.1 Brief description of the Terms of reference:

- To resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- To review the measures taken for effective exercise of voting rights by shareholders.
- To review in respect of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar to an issue and Share Transfer Agent.
- To review the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- To carry out such other functions as Board deems fit.

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 the year 2025-26, is as follows:-

No. of complaints received during the year	8
No. of complaints resolved during the year	8
No. of complaints pending unresolved as on 31.03.2026	-

5.2 All the complaints were resolved and, as on March 31, 2026, 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
Rashmi Urdhwareshe	Independent Director
Mahesh Chhabria	Independent Director
Akash Passey	Non-executive, Non-Independent Director
Paramjit Singh Chadha	Managing Director
Sweta Agarwal	Chief Financial Officer
A Ganesamoorthy	Head – Research & Development

Ms. Rashmi Urdhwareshe is the Chairperson of the Risk Management Committee. The Company Secretary/Compliance Officer of the Company acts as the Secretary of the Risk Management Committee. Prior to the reconstitution of the Committee with effect from November 5, 2025, the Risk Management Committee comprised Dr. Christian Brenneke (Chairman), Mr. Mahesh Chhabria, Mr. Akash Passey, Mr. P Kaniappan (upto 30.6.2025), Ms. Rashmi Urdhwareshe, Ms. Sweta Agarwal and Mr. Ganesamoorthy as its members. 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	Risk Management Committee Meetings		No. of meetings held during Tenure	Present		% of attendance in Board meeting
	1	2				
	September 25, 2025	March 25, 2026				
Rashmi Urdhwareshe			2	2		100%
Mahesh Chhabria			2	2		100%
Akash Passey			2	2		100%
Paramjit Singh Chadha			2	2		100%
Sweta Agarwal			2	2		100%
A Ganesamoorthy			1	1		100%
Christian Brenneke*		NA	1	1		100%
% of attendance	100%	100%				

*Ceased to be a member during the year

  - 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, 2026 are as follows: -

Name of the Directors	Status
Paramjit Singh Chadha	Managing Director
Rashmi Urdhwareshe	Independent Director
Neeraj Sagar	Independent Director

Mr. Paramjit Singh Chadha, Managing Director, is the Chairman of the CSR Committee. The Company Secretary/Compliance Officer of the Company acts as the Secretary of the CSR Committee. Prior to the reconstitution of the Committee with effect from November 5, 2025, the Corporate Social Responsibility Committee comprised Mr. P Kaniappan (Chairman) (upto June 30, 2025),

Ms. Amrita Verma Chowdhury, and Mr. Neeraj Sagar as its members. 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	Corporate Social Responsibility Committee Meetings	No. of meetings held during Tenure	Present	% of attendance in Board meeting
	May 15, 2025			
Paramjit Singh Chadha	NA	0	0	-
Rashmi Urdhwareshe	NA	0	0	-
Neeraj Sagar		1	1	100%
P Kaniappan *		1	1	100%
Amrita Verma Chowdhury *		1	1	100%
% of attendance	100%			

*Ceased to be a member during the year

- Present - Attended through VC **L** – Leave of absence
NA – Not Applicable

7.1 Brief description of the Terms of reference:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII.
- To recommend the proposed CSR project-wise expenditure for the financial year.
- To recommend to the Board the formulation of the Annual Action Plan in alignment with the Company's CSR obligations.
- To review and recommend to the Board the details of the CSR expenditure for the financial year, including the amount actually spent, the amount to be carried forward, and any excess spending eligible for set-off in subsequent years. To recommend the Board regarding addition, review and withdraw the activities as approved in the Annual Action plan.
- To monitor the Corporate Social Responsibility Policy of the company from time to time.

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 26, 2026. 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 ¹	Company Secretary
Ms. C V Kavviya ²	Compliance Officer
Mr. Muruganandam Chelladurai	Quality
Mr. Ravikumar M. S. ³	Operations
Mr. Mukund Govindarajan ⁴	
Mr. Rupesh Manni	Driveline Technology
Mr. Balaji Chidambaram	Chassis Control
Mr. Jameel Baig	Bus & Trailer Solutions
Mr. Ponraj Pandian	Program Purchasing
Mr. Ganesamoorthy Arumugam	Engineering
Mr. Ashish Srivastava	Aftermarket
Mr. Sachin Deshmukh ⁵	Chassis Structure
Mr. Shankar Venkatachalam	Sales
Mr. Hari Govinda Thilak	Human Resources
Mr. Inbarajan K ⁶	Legal
Mr. Venugopal Krishnamoorthy ⁷	Strategy & Market Int.
Mr. Saravanan Natarajan	Information Technology

¹ has resigned from the Company with effect from close of business hours of March 24, 2026.

² Appointed as Compliance Officer w.e.f March 25, 2026

³has retired from the Company with effect from close of business hours of January 30, 2026.

⁴ has appointed as the Regional Operations Officer w.e.f. been February 4, 2026

⁵ has ceased from the role of Senior Management personnel (due to change of role) from close of business hours of December 22, 2025.

⁶ has been appointed as a Head-Legal w.e.f.July 30, 2025

⁷ has resigned from the company with effect from close of business hours of October 31, 2025

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 dematerialized 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
2022-23	AGM Through Video Conferencing (VC) /	27.07.2023	03.00 P.M
2023-24	Other Audio-Visual Means (OAVM)	22.07.2024	03.00 P.M
2024-25		20.08.2025	03.00 P.M

11.2 Special resolution passed in the previous three annual general meetings:

AGM Date	Item of Business
27.07.2023	Nil
22.07.2024	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.
20.08.2025	Nil

11.3 The details of special resolution passed during 2025-26 through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot is

given below:

Particulars of Special Resolution	Date of Passing of the Resolution	Voting pattern	
		Votes cast in favour	Votes cast against
Approval for the re-appointment of Mr. Mahesh Chhabria (DIN 00166049) as an Independent Director of the Company for a period of 5 (five) consecutive years with effect from May 16, 2025 to May 15, 2030	June 21, 2025	1,70,38,867 (99.01%)	1,70,910 (0.99%)

Mr. G. Karthikeyan, a Practising Company Secretary (Membership No. A19411 / CP No.21869), Partner, M/s. RSGK & Associates, Practicing Company Secretaries was appointed as the Scrutiniser to scrutinise the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

11.4 Procedure for postal ballot:

The postal ballot was carried out pursuant to the provisions of Section 108, Section 110 and other applicable provisions, if any, of the Companies Act, 2013, Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Circulars issued by Ministry of Corporate Affairs and Regulation 44 of the Listing Regulations.

11.5 Details of special resolution proposed to be conducted through postal ballot:

As on date of this report, there is an proposal for special resolution to be conducted through postal ballot for the Alteration of Capital Clause in the Articles of Association.

12. UNCLAIMED SHARES

Pursuant to Regulation 39 of the Listing Regulation, equity shares aggregating to 442 shares of Rs.5/- each held by 10 equity shareholders were lying unclaimed (hereinafter referred to as "unclaimed shares") as on March 31, 2026, as required under the Listing 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.

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 01/04/2025	8	474
No. of shareholders who approached listed entity for transfer of shares from suspense account during the year	1	32
No. of shareholders to whom shares were transferred from suspense account during the year ended 31/03/2026	1	32
Shares transferred to the IEPF Authority account during the year ended 31/03/2026	NIL	NIL
Aggregate number of shareholders and the outstanding shares lying in the suspense account on 31/03/2026	7	442

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 in respect of which dividend was also unclaimed for a continuous period of 7 consecutive years were dematerialized and transferred to IEPF Authority on behalf of the shareholders after providing due reminders and a public announcement in newspapers before transferring.

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 01/04/2025	866	52,526
No. of shareholders who approached listed entity for transfer of shares from IEPF Authority Account during the year	23	1,703

Details of IEPF Authority Account	No. of Shareholders	No. of Shares
No. of shareholders of whose shares were transferred from unclaimed Suspense Account to the IEPF Authority Account during the year	1	32
No. of shareholders whose shares were transferred to the IEPF Authority Account during the year	32	1,777
No. of shares transferred from the IEPF Authority Account during the year to the shareholders	28	2,229
Aggregate number of shareholders and the outstanding shares lying in the IEPF Authority Account as on 31/03/2026	870	52,074

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	July 24, 2026 at 15.00 hrs. (IST) through Video Conferencing (VC)/ Other Audio Visuals Means (OAVM)
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15.2 Financial year April 1 to March 31

Financial calendar 2026-27 (Tentative)

Financial reporting for the quarter ending	
June 30, 2026	on or before August 14, 2026
September 30, 2026	on or before November 14, 2026
December 31, 2026	on or before February 14, 2027
March 31, 2027	on or before May 30, 2027
Annual General Meeting	July / August / September 2027

15.3 Particulars of dividend payment

The Board of Directors had recommended a dividend of Rs. 4/- per share for the year 2025-26, absorbing a sum of Rs. 4,552.22 lakhs and subject to the approval of the shareholders in the ensuing annual general meeting. This dividend will be paid on or before August 22, 2026 to the shareholders as on record date.

15.4 Listing on Stock Exchanges:

Name of the stock exchange	Stock code
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	533023
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C-1, Block G, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	ZFCVINDIA
ISIN allotted by depositories (Company ID Number)	INE342J01019

(Note: Annual listing fees for the year 2025-26 have been duly paid to the above stock exchanges).

15.5 Registrar and Share Transfer Agent (RTA) and Share Transfer System:

- For share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agent (RTA) – M/s. Integrated Registry Management Services Private Limited. They are registered with SEBI as the Category I Registrar and Share Transfer Agent
- All matters connected with the share transfer, both physical and electronic, dividends and other matters are handled by the RTA 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 dematerialization 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 RTA within the time stipulated by SEBI.
- d) Shareholders are requested to note that as per SEBI Regulations, requests for transfer of securities must generally be processed in dematerialised form. However, pursuant to the SEBI Circular dated January 30, 2026, a Special Window is available from February 5, 2026, to February 4, 2027, for the re-lodgement of transfer requests for physical shares that were purchased or sold prior to April 1, 2019. This facility applies to requests previously rejected/returned/not attended due to deficiency in the documents/process /or otherwise. Eligible transfers approved under this window will be issued only in demat mode and will be subject to a one year mandatory lock-in period. Shareholders are encouraged to dematerialise their physical holdings at the earliest to ensure seamless future transactions
- e) Pursuant to Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, a Reconciliation of Share Capital Audit report is obtained from a practicing Company Secretary on a quarterly basis, which also confirms the timely dematerialization of the company's shares
- 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)/cv.kavviya@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 RTA 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, 2026:

Shareholding (Range)	No. of Shares	% to Shares	No. of share-holders	% to holder
UPTO 500	10,58,235	5.58	32,394	98.75
501 - 1000	99,294	0.52	135	0.41
1001 - 2000	1,10,163	0.58	75	0.23
2001 - 3000	69,350	0.37	29	0.09
3001 - 4000	56,118	0.30	16	0.05
4001 - 5000	72,236	0.38	16	0.05
5001 - 10000	2,19,766	1.16	31	0.09
10001 and Above	1,72,82,422	91.12	107	0.33
Total	1,89,67,584	100	32,803	100

15.7 Dematerialization of shares and liquidity:

The entire promoter shareholding is in dematerialised form. As on March 31, 2026, out of 75,87,033 shares held by persons other than promoters, 75,37,949 of shares have been dematerialized and dematerialized shareholding of Public as on March 31, 2026 accounts for 99.35%.

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 the year 2025-2026.

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 are in accordance with the Regulation 17(8) of the Listing Regulation pertaining to CEO/CFO certification for the financial year ended March 31, 2026.

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 66.72 lakhs as remuneration for the year 2025-26 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 RTA or their respective DPs. Pursuant to the latest Master Circular for RTAs issued by the SEBI dated February 6, 2026 (incorporating the mandate from Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022), the Company has transitioned to issuing securities exclusively in dematerialised form while processing 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 the Master Circular for RTAs issued by the SEBI, 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 RTA. 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:

As per the Master Circular for RTAs issued by the SEBI, shareholders are requested to update their addresses registered with the Company, directly through the RTA 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 RTA.

f. KYC Details

As per the Master Circular for RTAs issued by the SEBI it is 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 RTAs.

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, 2019 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

In accordance with SEBI Circular CIR/OIAE/2/2011 dated June 3, 2011, and the latest Master Circular SEBI/HO/OIAE/IGRD/P/CIR/2023/156 dated September 20, 2023, investor grievances are centrally monitored through a web-based complaints redressal system called SCORES 2.0. 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
2018-19	14.08.2019	14.09.2019	13.10.2026
2019-20 (I)	19.03.2020	19.04.2020	18.05.2027
2020-21	24.09.2021	28.10.2021	26.11.2028
2021-22	27.07.2022	29.08.2022	27.09.2029
2022-23	27.07.2023	30.08.2023	28.09.2030
2023-24	22.07.2024	22.08.2024	20.09.2031
2024-25	20.08.2025	20.09.2025	19.10.2032

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, 2026.

For and on behalf of the Board

Paramjit Singh Chadha

Managing Director
DIN: 06972549

Lucknow
May 13, 2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

ZF Commercial Vehicle Control Systems India Limited

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ZF Commercial Vehicle Control Systems India Limited having CIN: L34103TN2004PLC054667 and having registered office at Plot No.3 (SP), III Main Road, Ambattur Industrial Estate, Chennai – 600 058. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Akash Passey	01198068	22/05/2024
2	Mr. Paramjit Singh Chadha	06972549	01/07/2025
3	Mr. Mahesh Chhabria	00166049	16/05/2020
4	Ms. Amrita Verma Chowdhury	02178520	27/10/2023
5	Mr. Neeraj Sagar	09475452	22/05/2024
6	Dr. Lars Orlik	10390472	21/08/2025
7	Mr. Ivan Brajdic	11347495	05/11/2025
8	Ms. Rashmi Urdhwaresh	08668140	20/03/2024

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V Suresh Associates
Practising Company Secretaries

V Suresh

Senior Partner

FCS No. 2969

C.P.No. 6032

Place: Chennai

Date: 13th May, 2026

Peer Review Cert. No.: 6366/2025

UDIN: F002969H000331836

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 18, 2026.
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, 2026, 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, 2026.
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

Priyesh Singhal
Partner

Place: Chennai
Date: May 13, 2026

Membership No.: 138299
UDIN: 26138299JDYIMF4400

Financial Statements

Independent Auditor's Report

To

The Members of the 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 2026, 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 2026, 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(d) and 18 to the standalone financial statements

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
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. - 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).

The key audit matter	How the matter was addressed in our audit
	- 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. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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 relating to preparation of the aforesaid standalone financial statements have been kept so far as it appears from our examination of those books, except for (i) the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, and (ii) the matter that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during 01 April 2025 to 14 July 2025.
 - 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 on 01 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 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 2026 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 11.1 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 audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail was not enabled at the database level to log any direct data changes. Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across any instance of audit trail feature being tampered with. 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

Priyesh Singhal

Partner

Place: Chennai

Membership No.: 138299

Date: 13 May 2026

UDIN:26138299MZEBWK4710

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 March 31, 2026

(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.
- (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, except as set out in Appendix I.
- (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 and stocks lying with third parties, has been physically verified by the management during the year.

For stocks lying with third parties at the year-end, written confirmations have been obtained and 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 made any investments, 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 granted loans, secured or unsecured, to firms, limited liability partnership or any other parties during the year. The Company has granted loans to subsidiary company 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	1,000.00
Subsidiary*	
Balance outstanding as at	1,000.00
balance sheet date Subsidiary*	

* 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 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 investments made, 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, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (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 Services 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 Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 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 Services 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 II.
- (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, 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

Priyesh Singhal

Partner

Place: Chennai

Membership No.: 138299

Date: 13 May 2026

UDIN:26138299MZEBWK4710

APPENDIX I

as referred to under para (i)(c) 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 2026

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land	INR 1,114.29 Lakhs	Sundaram Clayton Limited	Not Applicable	07 March 2022 to till date	Note 1

Note 1 : Based on the information and explanations provided to us, the land at Ambattur was transferred to the Company from Sundaram Clayton Limited pursuant to the scheme of demerger. The Company has filed an application with TANSIDCO for updation of name in revenue records and the application is under consideration.

APPENDIX II

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 2026

Name of the statute	Nature of the dues	Amount (INR in lakhs)	Amount of pre deposit paid (INR in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income taxes	2,125.51	-	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	81.36	-	2021-22	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income taxes	55.12	-	2011-12 and 2013-14	High Court of Madras
Income Tax Act, 1961	Income taxes	80.97	-	2019-20 and 2020-21	Assessing officer
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	120.85	68.70	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	17.91	2019-20	Joint Commissioner of CGST, Jharkhand
Central Goods and Services Tax, 2017	Goods and services Tax	3,983.65	398.37	2018-19 to 2024-25	DGCI, Puducherry
Name of the statute	Nature of the dues	Amount (INR in lakhs)	Amount of pre deposit paid (INR in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Central Goods and Services Tax, 2017	Goods and services Tax	46.20	47.06	2018-19 to 2019-20	Assistant Commissioner of GST and Central Excise, Chennai
Tamil Nadu Value Added Tax Act, 2006	Sales Tax	416.33	1,671.72	2009-10 to 2015-16	Madras High court
Central Sales Tax Act, 1956	Sales Tax	17.13	25.69	2008 - 2009	Assistant Commissioner, (Commercial Taxes), Chennai
Central Sales Tax Act, 1956	Sales Tax	11.38	22.77	2009-2010	Assistant Commissioner, (Commercial Taxes), Chennai
Customs Act, 1962	Customs duty	2,105.59	150.04	2019-20 to 2024-25	The Office Of The Principal Commissioner Of Customs (Air Cargo)

*In certain cases, the amount of pre deposit paid exceeds the demand amount, as the original demand was subsequently reduced pursuant to hearings.

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 March 31, 2026

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 2026 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 2026, 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

Priyesh Singhal

Partner

Place: Chennai

Membership No.: 138299

Place: 13 May 2026

UDIN:26138299MZEBWK4710



Standalone Balance Sheet

as at March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	57,158.06	56,250.40
Capital work-in-progress	3.2	5,868.35	6,326.94
Right of use assets	3.1	12,194.70	13,629.16
Investment property	3.3	2,075.68	1,956.57
Intangible assets	3.1	569.40	1,053.05
Financial assets			
(i) Investments	4.1	277.33	277.33
(ii) Other financial assets	4.2	1,819.15	1,821.95
Deferred tax asset (net)	6.1	3,452.28	2,476.13
Non-current tax assets (net)	6.2	3,144.08	5,923.62
Other non-current assets	5	5,367.46	3,311.28
Total non-current assets		91,926.49	93,026.43
Current assets			
Inventories	7	26,361.92	18,644.54
Financial assets			
(i) Investments	4.1	60,347.99	2,856.03
(ii) Trade receivables	8	91,547.51	1,11,188.74
(iii) Cash and cash equivalents	9	18,707.32	12,720.44
(iv) Bank balances other than (iii) above	9.1	1,43,493.64	1,33,801.21
(v) Loans	4.3	1,000.00	500.00
Other current assets	5	3,405.74	3,311.50
Total current assets		3,44,864.12	2,83,022.46
Total assets		4,36,790.61	3,76,048.89
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	948.38	948.38
Other equity	11	3,66,688.72	3,20,131.93
Total equity		3,67,637.10	3,21,080.31
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	12	4,787.39	5,660.02
Provisions	13	2,789.39	2,377.07
Total non-current liabilities		7,576.78	8,037.09
Current liabilities			
Financial liabilities			
(i) Lease liabilities	12	694.91	948.30
(ii) Trade payables	14		
- total outstanding dues of micro enterprises and small enterprises		2,597.35	954.84
- total outstanding dues of creditors other than micro enterprises and small enterprises		39,516.76	32,325.27
(iii) Other financial liabilities	15	4,889.13	5,098.32
Other current liabilities	16	7,842.34	4,420.92
Provisions	13	3,563.01	2,525.20
Current tax liabilities (net)	17	2,473.23	658.64
Total current liabilities		61,576.73	46,931.49
Total equity and liabilities		4,36,790.61	3,76,048.89

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
CIN : L34103TN2004PLC054667

Akash Passey
Chairman and Director
DIN: 01198068

Sweta Agarwal
Chief Financial Officer

Place: Lucknow
Date: 13 May 2026

Paramjit Singh Chadha
Managing Director
DIN: 06972549

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration no. 101248W/W-100022

Priyesh Singhal
Partner
Membership no.: 138299
Place: Chennai
Date: 13 May 2026

Standalone Statement of Profit & Loss

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	18	4,05,547.93	3,80,408.92
Other income	19	18,583.44	10,974.90
Total income		4,24,131.37	3,91,383.82
Expenses			
Cost of materials consumed	20	2,31,618.88	2,21,185.88
Changes in inventories of finished goods and work-in-progress	21	1,321.01	(614.00)
Employee benefits expense	22	60,929.03	53,853.93
Finance costs	23	528.78	570.47
Depreciation and amortisation expense	24	12,961.37	12,270.06
Other expenses	25	47,951.94	43,437.84
Total expenses		3,55,311.01	3,30,704.18
Profit before exceptional item and tax		68,820.36	60,679.64
Exceptional item	25A	793.51	-
Profit before tax		68,026.85	60,679.64
Tax expense	28		
- Current tax		18,312.49	14,283.87
- Deferred tax		(953.19)	529.95
		17,359.30	14,813.82
Profit for the year		50,667.55	45,865.82
Other comprehensive income /(loss)			
Items that will not be reclassified to profit or loss			
Remeasurements Gain/(loss) of defined benefit liability / (asset)	29	(529.88)	(533.49)
Income tax relating to items that will not be reclassified to profit or loss	28	22.96	107.27
Other comprehensive income /(loss) for the year, net of tax		(506.92)	(426.22)
Total comprehensive income for the year, net of tax		50,160.63	45,439.60
Earnings per equity share of INR 5 each			
Basic earnings per share (INR)	30	267.13	241.81
Diluted earnings per share (INR)	30	267.13	241.81

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
 CIN : L34103TN2004PLC054667

Akash Passey
 Chairman and Director
 DIN: 01198068

Paramjit Singh Chadha
 Managing Director
 DIN: 06972549

Sweta Agarwal
 Chief Financial Officer

Place: Lucknow
 Date: 13 May 2026

As per our report of even date
For B S R & Co. LLP
 Chartered Accountants
 Firm's Registration no. 101248W/W-100022

Priyesh Singhal
 Partner
 Membership no.: 138299
 Place: Chennai
 Date: 13 May 2026



Standalone Statement of Cash Flows

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	March 31, 2026	March 31, 2025
A. Cash flow from/(used) in operating activities:			
Profit before tax		68,026.85	60,679.64
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortisation expense	24	12,961.37	12,270.06
Profit on sale of financial instruments (net)	19	(2,691.97)	(873.49)
Reversal of Expected credit loss	19 / 25	(1,030.31)	944.89
Interest income	19	(8,500.40)	(9,149.80)
Finance costs	23	528.78	570.47
Net loss on sale of property, plant and equipment	25	209.70	61.26
Net foreign exchange differences (unrealised)		(820.17)	(796.93)
Operating profit before working capital changes		68,683.85	63,706.10
Adjustments for :			
(Increase)/ decrease in inventories		(7,717.38)	(1,945.84)
(Increase)/ decrease in trade receivables		20,447.91	(17,855.53)
(Increase)/ decrease in other financial assets		91.07	(62.53)
(Increase)/ decrease in other assets		(391.38)	638.39
Increase / (decrease) in trade payables, provisions and other liabilities, including financial liabilities		13,538.81	(3,602.38)
Cash generated from operations		94,652.88	40,878.21
Income tax paid		(13,718.36)	(13,513.25)
Net cash flow from/(used) in operating activities		80,934.52	27,364.96
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)		(14,272.64)	(15,202.76)
Proceeds from sale of property, plant and equipment		21.61	89.10
(Payment) for acquiring / proceeds from termination of right of use assets		218.50	0.35
Purchase of investment property		(274.72)	(550.36)
Purchase of mutual fund units		(73,796.31)	(34,998.25)
Proceeds from sale of mutual fund units		18,996.32	35,344.37
Purchase of non-current investments		-	(2.33)
Loans given to related party		(1,000.00)	-
Repayment of loans given to related party		500.00	500.00
(Purchase of) / proceeds from maturity of bank deposits (net)		(10,790.98)	(14,984.96)
Interest received		9,510.68	8,590.97
Net cash flows from/(used) in investing activities		(70,887.54)	(21,213.87)
C. Cash flow from/(used) in financing activities:			
Dividend paid		(3,603.84)	(3,224.49)
Payment of lease liabilities		(1,145.48)	(625.24)
Payment of interest on lease liabilities		(459.62)	(562.02)
Net cash flows from/(used) in financing activities		(5,208.94)	(4,411.75)
Net increase / (decrease) in cash and cash equivalents [A+B+C]		4,838.04	1,739.34
Cash and cash equivalents at the beginning of the year		12,720.44	10,890.36
Effect of movements in exchange rates on cash held		1,148.85	90.74
Cash and cash equivalents as at end of the year		18,707.33	12,720.44
Components of cash and cash equivalents			
i) Cash on hand		-	-
ii) On current accounts		18,707.32	12,720.44
Cash and cash equivalents as per balance sheet (refer note 9)		18,707.32	12,720.44

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
 CIN : L34103TN2004PLC054667

Akash Passey
 Chairman and Director
 DIN: 01198068

Paramjit Singh Chadha
 Managing Director
 DIN: 06972549

Sweta Agarwal
 Chief Financial Officer

Place: Lucknow
 Date: 13 May 2026

As per our report of even date
For B S R & Co. LLP
 Chartered Accountants
 Firm's Registration no. 101248W/W-100022

Priyesh Singhal
 Partner
 Membership no.: 138299
 Place: Chennai
 Date: 13 May 2026

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

(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 1, 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
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	1,89,67,584	948.38

b. Other equity

For the period ended March 31, 2026

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 1, 2025	24,776.38	5.00	2,95,350.55	-	3,20,131.93
Profit for the year	-	-	50,667.55	(506.92)	50,160.63
Other comprehensive income (Note 29)	-	-	(506.92)	506.92	-
Total	24,776.38	5.00	3,45,511.18	-	3,70,292.56
Dividend	-	-	(3,603.84)	-	(3,603.84)
Balance as at March 31, 2026	24,776.38	5.00	3,41,907.34	-	3,66,688.72

For the period 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 1, 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

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
 CIN : L34103TN2004PLC054667

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

Paramjit Singh Chadha
 Managing Director
 DIN: 06972549

Priyesh Singhal
 Partner
 Membership no.: 138299
 Place: Chennai
 Date: 13 May 2026

Sweta Agarwal
 Chief Financial Officer

Place: Lucknow
 Date: 13 May 2026

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 authorized for issue in accordance with a resolution of the Board of directors at the meeting held on 13 May 2026.

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) Significant accounting judgements, estimates and assumptions

Significant accounting judgements, estimates and assumptions identified by the management is mentioned in Note 31 of this standalone financial statements

(c) 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 Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 recognized 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 summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the standalone financial statements.

(d) 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. 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 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 recognized 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 recognized 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 recognized 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 recognized 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 (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 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 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.

(e) 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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.

(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 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 recognized 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 recognized 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.

(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 Company. It includes a present obligation that is not recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

(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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 recognized 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 are recognized when it is probable that the future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably.

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 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 recognized in the standalone statement of profit and loss when the asset is derecognized.

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. Subsequent expenditure is capitalised only when 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. Otherwise, such expenditure is recognised in the statement of profit and loss as incurred.

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 1, 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 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 recognized 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 recognized 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 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. 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
Office & other equipments	5-13
Furniture and fixtures	10
Lease Hold Land	99

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 investment property are reviewed at each financial year end and adjusted prospectively, if appropriate.

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.

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for the year ended March 31, 2026

(o) 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.

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.

(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 contribution benefit plan. Under the plan, both

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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**

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in accordance with the provisions under the Code on Social Security, 2020. Vesting occurs upon completion of contractual period of continuous years of service as defined in the Code on Social Security, 2020. The level of benefits provided depends on the member's length of service and salary at retirement age. 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 and employee 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.

(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 Company becomes a party to the contractual provisions of the instrument.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 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.

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for the year ended March 31, 2026

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. 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

Notes to the Standalone Financial Statements

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- 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.

(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 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.

(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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025.

In August 2025, MCA notified the following amendments to:

- Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants.
- Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk.
- Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively

The Company has reviewed the new pronouncements and amendments and based on its evaluation has determined that it does not have any significant impact in its Standalone financial statements.

(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		Property, plant and equipment						Right of use assets			Intangible Assets	
Description	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	Total
Cost												
Balance as at April 1, 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	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	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	5,653.54
Balance as at April 1, 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	5,653.54
Add: Additions	-	559.45	10,176.69	182.95	1,001.30	202.03	12,122.42	-	19.46	19.46	109.60	109.60
Less: Disposals / Derecognition	-	-	7,725.59	44.83	660.55	111.84	8,542.81	230.00	879.46	1,109.46	-	-
Less: Reclassification to investment property	-	-	-	-	-	-	-	13.41	-	13.41	-	-
Balance as at March 31, 2026	1,829.06	16,007.36	97,945.21	2,499.36	13,403.51	692.78	1,32,377.28	8,247.88	6,910.29	15,158.17	5,763.14	5,763.14
Accumulated depreciation and impairment losses												
Balance as at April 1, 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	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	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	4,600.49
Balance as at April 1, 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	4,600.49
Add: Charge for the year	-	616.20	8,438.87	219.13	1,644.23	58.66	10,977.09	125.83	1,096.64	1,222.47	593.25	593.25
Less: Disposals / Derecognition	-	-	7,550.76	40.19	618.73	95.44	8,305.12	11.50	879.46	890.96	-	-
Less: Reclassification to investment property	-	-	-	-	-	-	-	0.46	-	0.46	-	-
Balance as at March 31, 2026	-	5,358.67	58,434.36	1,037.44	10,016.49	372.28	75,219.24	443.21	2,520.26	2,963.47	5,193.74	5,193.74
Carrying amounts												
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	1,053.05
As at March 31, 2026	1,829.06	10,648.69	39,510.85	1,461.92	3,387.02	320.50	57,158.06	7,804.67	4,390.03	12,194.70	569.40	569.40

Note: All title deeds relating to the Company's immovable properties are held in the name of the Company, except that ,certain title deeds with gross carrying value of INR 1,114.29 Lakhs pertaining to immovable properties located in Tamil Nadu continue to be held in the name of Sundaram Clayton Limited, as received pursuant to a scheme of demerger. The Company has applied to the Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO) for a No Objection Certificate (NOC) in connection with the proposed name change, the application is currently under consideration.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(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, 2026	March 31, 2025
Opening balance	6,326.94	8,250.87
Additions	12,048.15	16,124.32
Capitalisation / adjustments	(12,232.02)	(17,497.90)
Reclassification to investment property	(274.72)	(550.35)
Closing balance	5,868.35	6,326.94

Ageing schedule	As at March 31, 2026					As at March 31, 2025				
	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	4,302.93	1,565.42	-	-	5,868.35	5,360.02	966.92	-	-	6,326.94
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	4,302.93	1,565.42	-	-	5,868.35	5,360.02	966.92	-	-	6,326.94

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	Leasehold 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 1, 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
Balance as at April 1, 2025	73.08	1,503.48	233.40	4.56	241.76	2,056.28
Add: Additions	-	274.72	-	-	-	274.72
Add: Reclassification from right of use assets (refer note 3.1)	12.95	-	-	-	-	12.95
Balance as at March 31, 2026	86.03	1,778.20	233.40	4.56	241.76	2,343.95
Accumulated depreciation						
Balance as at April 1, 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
Balance as at April 1, 2025	0.99	35.01	23.95	0.69	39.07	99.71
Add: Depreciation for the year	2.37	86.37	28.82	0.99	50.01	168.56
Balance as at March 31, 2026	3.36	121.38	52.77	1.68	89.08	268.27
Carrying amounts						
As at March 31, 2025	72.09	1,468.47	209.45	3.87	202.69	1,956.57
As at March 31, 2026	82.67	1,656.82	180.63	2.88	152.68	2,075.68

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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, 2026, 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.

The company has no restrictions on the realisability of its investment property.

	March 31, 2026	March 31, 2025
B. Amounts recognised in profit or loss		
Rental income from the investment property	85.46	89.36
Less: Depreciation	(168.56)	(87.59)
Profit	(83.10)	1.77

C. Fair value hierarchy and valuation technique

The Company has assessed the fair valuation of its investment property by an accredited external independent valuers registered under Companies (Registered Valuer and Valuation) Rules, 2017. The fair value of investment properties amounted to INR 2,066.57 lakhs (March 31, 2025: INR 1,981.19 lakhs). The fair value measurement has been categorized as a level 2 fair value based on inputs to the valuation technique used. The valuation technique used by the valuer for leasehold land and building is based on discounted cash flow method and valuation for other assets has been determined based on replacement cost.

4.1 Investments

	March 31, 2026	March 31, 2025
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: 2,334) equity shares of INR 100 each fully paid up in Santhi Renewables Energies Private Limited	2.33	2.33
	277.33	277.33
Aggregate value of unquoted investments	277.33	277.33
Current - unquoted		
Investments at fair value through profit or loss (fully paid)		
Investments in Mutual Funds	60,347.99	2,856.03
	60,347.99	2,856.03
Aggregate value of unquoted investments	60,347.99	2,856.03
Aggregate amount of impairment in value of investments	-	-

4.2 Other financial assets

	March 31, 2026	March 31, 2025
Non-Current		
Non-current bank balances (refer note below)	426.23	337.96
Security deposits	1,392.92	1,483.99
	1,819.15	1,821.95

Note: Represents deposits placed with banks as margin money towards guarantees provided by the banks on behalf of the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

4.3 Loans

	March 31, 2026	March 31, 2025
Current		
<i>(unsecured, considered good)</i>		
Loans to related parties*	1,000.00	500.00
	1,000.00	500.00

The Company provided loan to its subsidiary (ZF CV Control Systems Manufacturing India Private Limited) repayable over a tenure of 10 years for its principal business activities which carries interest rate of 9.20% per annum (March 31, 2025 - Interest rate of 12 months T Bill Rate (RBI) plus spread of 113 bps).

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.

5 Other assets

	March 31, 2026	March 31, 2025
Non-Current		
Capital advances (Unsecured considered good) *	2,190.95	399.47
Capital advances (Unsecured considered doubtful)	137.14	169.58
Less: Provision for doubtful advances	(137.14)	(169.58)
	2,190.95	399.47
Amount paid under protest	2,476.71	1,842.81
Net defined benefit asset – pension plan (refer note 33)	699.80	1,069.00
	5,367.46	3,311.28
Current		
Advances to vendors (Unsecured considered good) *	1,197.58	1,514.08
Advances to vendors (Unsecured considered doubtful)	135.88	697.00
Less: Provision for doubtful advances	(135.88)	(697.00)
	1,197.58	1,514.08
Grant receivable (export incentive)	53.47	55.22
Prepaid expenses	1,489.30	1,293.67
Balance with government authorities	665.39	448.53
	3,405.74	3,311.50

* 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, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

6.1 Deferred tax assets (net)

Nature - (Liability) / Asset	Balance Sheet		Recognised in Profit and Loss		Recognised in Other Comprehensive Income	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Deferred tax assets						
Provision for doubtful trade receivables and advances	581.30	927.07	(345.77)	237.81	-	-
Provision for employee benefits and others	2,473.50	1,360.15	1,090.39	45.07	22.96	107.27
Provision for warranty	397.20	324.73	72.47	(165.60)	-	-
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	-	-	-	(76.45)	-	-
Others	352.68	488.94	(136.26)	53.98	-	-
Total (A)	3,804.68	3,100.89	680.83	94.81	22.96	107.27
Deferred tax liabilities						
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(352.40)	(624.76)	(272.36)	624.76	-	-
Others	-	-	-	-	-	-
Total (B)	(352.40)	(624.76)	(272.36)	624.76	-	-
Deferred tax expenses / (income) (B-A)			(953.19)	529.95	(22.96)	(107.27)
Net deferred tax (liabilities) / assets (A-B)	3,452.28	2,476.13				

Reconciliation of deferred tax assets / (liabilities) - (net)

	March 31, 2026	March 31, 2025
As on 1 April	2,476.13	2,898.81
Tax income/(expense) during the period recognised in profit and loss	953.19	(529.95)
Tax income/(expense) during the period recognised in OCI	22.96	107.27
As on 31 March	3,452.28	2,476.13

6.2 Non-current tax assets (net)

	March 31, 2026	March 31, 2025
Advance income tax (net of provision for tax)	3,144.08	5,923.62
	3,144.08	5,923.62

7 Inventories

	March 31, 2026	March 31, 2025
<i>(lower of cost and net realisable value)</i>		
Raw materials *	22,157.25	13,158.78
Work-in-progress	420.30	402.06
Finished goods	2,413.93	3,753.18
Stores and spare parts	1,370.44	1,330.52
	26,361.92	18,644.54
*includes goods in transit	6,787.59	5,150.92

During the year ended March 31, 2026: INR 21.29 lakhs (March 31, 2025: INR 27.99 lakhs) was recognised as an expense for inventories carried at net realisable value.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

8 Trade receivables

	March 31, 2026	March 31, 2025
Trade receivables		
Unsecured, considered good	93,054.16	1,13,725.70
	93,054.16	1,13,725.70
Less: Loss allowance (expected credit loss allowance)	(1,506.65)	(2,536.96)
	91,547.51	1,11,188.74

Trade receivables Ageing schedule

As at March 31, 2026

	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	88,491.85	3,768.83	446.35	242.58	29.47	75.08	93,054.16
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	-	-	-	-	-	-	-
	88,491.85	3,768.83	446.35	242.58	29.47	75.08	93,054.16

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

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, 2026	March 31, 2025
Balances with banks:		
- On current accounts	18,707.32	12,720.44
	18,707.32	12,720.44
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
i) On current accounts	18,707.32	12,720.44
	18,707.32	12,720.44

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

9.1 Other bank balances

	March 31, 2026	March 31, 2025
Deposits with banks with original maturity of more than three months but less than twelve months	1,43,457.49	1,33,767.77
Earmarked balances with banks	36.15	33.44
	1,43,493.64	1,33,801.21
Earmarked balances with banks primarily relate to unclaimed dividends.		
Break up of financial assets carried at amortised cost		
Trade receivables (note 8)	91,547.51	1,11,188.74
Cash and cash equivalents (note 9)	18,707.32	12,720.44
Bank balances other than cash and cash equivalents (note 9.1)	1,43,493.64	1,33,801.21
Loans (note 4.3)	1,000.00	500.00
Other financial assets (note 4.2)	1,819.15	1,821.95
Total financial assets at amortised cost	2,56,567.62	2,60,032.34

10 Equity share capital

	March 31, 2026	March 31, 2025
Authorised capital		
20,000,000 equity shares of INR 5 each (March 31, 2025: 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, 2025: 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 1, 2024	1,89,67,584	948.38
Issued during the year	-	-
At March 31, 2025	1,89,67,584	948.38
Issued during the year	-	-
At March 31, 2026	1,89,67,584	948.38

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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, 2026		March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
WABCO Asia Private Limited, Singapore (Holding Company)	1,13,80,551	569.03	1,19,80,684	599.03

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, 2026		March 31, 2025	
	In numbers	% holding in the class	In numbers	% holding in the class
WABCO Asia Private Limited, Singapore (Holding Company)	1,13,80,551	60.00%	1,19,80,684	63.16%

As per records of the Company, including its register of members, the above shareholding represents both legal and beneficial ownerships of shares.

Details of shares held by promoters

	March 31, 2026		March 31, 2025		% 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)	1,13,80,551	60.00%	1,19,80,684	63.16%	(3.16%)
	1,13,80,551	60.00%	1,19,80,684	63.16%	0.00%

	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%	(11.84%)
	1,19,80,684	63.16%	1,42,25,684	75.00%	(11.84%)

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, 2026.

11 Other equity

	March 31, 2026	March 31, 2025
General reserve	24,776.38	24,776.38
Other reserves		
Capital reorganisation reserve	5.00	5.00
Retained earnings	3,41,907.34	2,95,350.55
	3,66,688.72	3,20,131.93

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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, 2026	March 31, 2025
INR 19 per equity share (March 31, 2025: INR 17)	3,603.84	3,224.49
	3,603.84	3,224.49

After the reporting dates, the Board has recommended a final dividend of 80% (INR 4 per share of the face value or INR 5 each) for the financial year 2025-26 subject to the approval of the Shareholders in Annual General Meeting ; the dividends have not been recognised as liabilities.

	March 31, 2026	March 31, 2025
INR 4 per equity share (March 31, 2025: INR 19)	758.70	3,603.84
	758.70	3,603.84

12 Lease liabilities

	March 31, 2026	March 31, 2025
Non - Current		
Lease liabilities	4,787.39	5,660.02
	4,787.39	5,660.02
Current		
Lease liabilities	694.91	948.30
	694.91	948.30

13 Provisions

	March 31, 2026	March 31, 2025
Non-current		
Provision for employee benefits		
Liability for compensated absence	2,057.75	1,578.43
Other provisions		
Provision for warranties	731.64	798.64
Total	2,789.39	2,377.07
Current		
Provision for employee benefits		
Liability for compensated absence	463.53	337.39
Liability related to Gratuity (net)	2,252.92	1,696.20
Other provisions		
Provision for warranties	846.56	491.61
Total	3,563.01	2,525.20

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	March 31, 2026	March 31, 2025
Provision for warranties		
At the beginning of the year	1,290.25	1,948.21
Provision made during the year	1,383.78	905.99
Utilized / reversed during the year	(1,095.83)	(1,563.95)
At the end of the year	1,578.20	1,290.25

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, 2026	March 31, 2025
Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises ('MSME')	2,597.35	954.84
- Total outstanding dues of creditors other than micro enterprises and small enterprises	39,516.76	32,325.27
	42,114.11	33,280.11

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, 2026

	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	-	-	2,597.35	-	-	-	2,597.35
Others	5,372.69	9,073.96	24,324.11	139.57	39.93	566.50	39,516.76
Disputed - MSME	-	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-	-
	5,372.69	9,073.96	26,921.46	139.57	39.93	566.50	42,114.11

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	-	-	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, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

15 Other financial liabilities

	March 31, 2026	March 31, 2025
Capital creditors		
- Total outstanding dues of micro enterprises and small enterprises ('MSME')	30.31	107.70
- Total outstanding dues of creditors other than micro enterprises and small enterprises	411.31	1,080.45
Price adjustments (refer note below)	4,411.36	3,876.76
Unpaid dividends	36.15	33.41
	4,889.13	5,098.32

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, 2026	March 31, 2025
Trade payables (note 14)	42,114.11	33,280.11
Lease liabilities (note 12)	5,482.30	6,608.32
Other financial liabilities (note 15)	4,889.13	5,098.32
	52,485.54	44,986.75

16 Other current liabilities

	March 31, 2026	March 31, 2025
Advance from customers	650.41	463.15
Statutory dues payable	1,190.83	1,700.53
Employee payables	6,001.10	2,257.24
	7,842.34	4,420.92

17 Current tax liabilities (net)

	March 31, 2026	March 31, 2025
Provision for taxation (net of advance income tax)	2,473.23	658.64
	2,473.23	658.64

18 Revenue from operations

	March 31, 2026	March 31, 2025
(i) Revenue from contract with customers		
Sale of products (A)		
Air assist and full air actuation systems	2,94,388.38	2,81,273.38
Spares	57,800.07	50,007.51
	3,52,188.45	3,31,280.89
Sale/rendering of services (B)		
Software services	32,387.31	28,610.78
Research and development services	5,960.10	4,816.58
Business support services	7,881.35	6,539.34
Other service income	4,351.24	5,440.49
	50,580.00	45,407.19

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	March 31, 2026	March 31, 2025
(ii) Other operating revenue (C)		
Scrap sales	1,462.17	1,842.83
Government grant (Export incentives - Refer note below)	806.21	736.47
Test track usage income	511.10	1,141.54
	2,779.48	3,720.84
Total (A+B+C)	4,05,547.93	3,80,408.92

Note - Government grants represent export incentives that the Company is eligible for. There are no unfulfilled conditions or contingencies attached to these grants.

Disaggregated information

	March 31, 2026	March 31, 2025
Timing of revenue recognition *		
Goods / services transferred at a point in time	3,54,161.72	3,34,265.26
Services transferred over time	50,580.00	45,407.19
	4,04,741.72	3,79,672.45
<i>*excluding Government grant</i>		
Contract balances		
Trade receivables (refer note 8)	91,547.51	1,11,188.74
Contract liabilities (refer note 16)	650.41	463.15

Trade receivables are non-interest bearing and are generally on terms of 15 to 90 days.

Contract assets are recognized 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).

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price

	March 31, 2026	March 31, 2025
Revenue as per contract price	4,13,021.79	3,85,519.86
Adjustments		
Discounts and price adjustments	(8,280.07)	(5,847.41)
Revenue from contract with customers	4,04,741.72	3,79,672.45

19 Other income

	March 31, 2026	March 31, 2025
Net gain on sale of investments / fair valuation of investments carried at fair value through profit or loss	2,691.97	873.49
Gain on foreign currency transactions	6,228.39	598.24
Interest income	8,500.40	9,149.80
Reversal of Expected credit loss	1,030.31	-
Rental income from investment property	85.46	89.36
Others	46.91	264.01
	18,583.44	10,974.90

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

20 Cost of materials consumed

	March 31, 2026	March 31, 2025
Inventories at the beginning of the year	13,158.78	12,091.51
Add: Purchases	2,40,617.35	2,22,253.15
Less: Inventories at the end of the year	22,157.25	13,158.78
Cost of raw material and components consumed	2,31,618.88	2,21,185.88

21 Changes in inventories of finished goods and work-in-progress

	March 31, 2026	March 31, 2025
Opening stock		
Work-in-progress	402.06	301.96
Finished goods	3,753.18	3,239.28
	4,155.24	3,541.24
Closing Stock		
Work-in-progress	420.30	402.06
Finished goods	2,413.93	3,753.18
	2,834.23	4,155.24
	1,321.01	(614.00)

22 Employee benefits expense

	March 31, 2026	March 31, 2025
Salaries, wages and bonus	53,216.39	46,418.47
Contribution to provident and other funds	3,592.65	3,530.36
Staff welfare expenses	4,119.99	3,905.10
	60,929.03	53,853.93

23 Finance costs

	March 31, 2026	March 31, 2025
Interest expense on lease liabilities	459.62	562.02
Interest on others	69.16	8.45
	528.78	570.47

24 Depreciation and amortization expense

	March 31, 2026	March 31, 2025
Depreciation of property, plant and equipment (note 3.1)	10,977.09	10,453.44
Depreciation on right of use assets (note 3.1)	1,222.47	1,074.59
Amortization of intangible assets (note 3.1)	593.25	654.43
Depreciation on investment property (note 3.3)	168.56	87.60
	12,961.37	12,270.06

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

25 Other expenses

	March 31, 2026	March 31, 2025
Consumption of stores and spares	4,887.38	4,831.03
Power and fuel	2,737.25	2,685.36
Rent	567.04	863.96
Repairs to buildings	873.20	427.01
Repairs to machinery	1,765.71	1,355.13
Repairs others	21.83	31.91
Insurance	203.81	272.73
Rates and taxes	1,171.02	831.11
Professional fees (refer note (a) below for payment to auditors)	5,245.18	5,642.49
Travelling and conveyance	1,539.18	1,466.92
Freight, delivery and shipping charges	8,074.13	7,019.16
Research and development expenses	1,055.08	1,093.36
Impairment allowance / reversal for bad and doubtful debts / advances	-	944.89
Directors' sitting fees	23.40	10.20
Information technology expenses	5,524.10	4,472.23
Expenditure on corporate social responsibility (refer note 26)	1,075.38	778.03
Royalty	10,102.92	9,027.25
Net loss on sale of property, plant and equipment	209.70	61.26
Net loss on foreign currency transactions	-	-
Warranty	1,383.78	905.99
Other expenses (including commission to independent directors)	1,491.85	717.82
	47,951.94	43,437.84
(a) Auditor's remuneration* (included in professional fees)		
As auditor:		
Statutory audit	45.30	45.30
Tax audit	2.30	2.30
Limited review of quarterly results	3.45	3.30
Certification	1.62	2.60
In other capacity:		
Group reporting**	-	-
Reimbursement of expenses	1.14	1.90
	53.81	55.40

* Excludes Goods and Services Tax

** In addition to above remuneration, auditors are also paid INR 29.73 lakhs (March 31, 2025 : INR 25.38 lakhs) towards group reporting services including out of pockets expenses which are reimbursed by the Holding Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

25A Exceptional Item

	March 31, 2026	March 31, 2025
Statutory impact of New Labor Codes (Refer note below)	793.51	-
	793.51	-

Note :

The Government of India has notified the four Labour Codes – the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 on 21 November 2025, consolidating existing labour laws. The Ministry of Labour and Employment has also published draft Central Rules and FAQs to facilitate assessment of the financial impact arising from changes in regulations.

The Company has assessed and disclosed the financial implications of these changes as per guidance provided by the Institute of Chartered Accountants of India & in accordance with IND AS 19. The New Labour Codes has resulted in estimated one time increase in provision for employee benefits of the Company of INR 793.51 lakhs and considering non-recurring nature of this impact and regulatory driven, the same has been recognized under “Exceptional item” in the statement of Profit and Loss for the year ended March 31, 2026.

The Company continues to monitor developments of the Rules to be notified by regulatory authorities, including clarifications / additional guidance from authorities and will continue to assess the accounting implications, basis such developments/ guidance.

26 CSR expenditure

	March 31, 2026	March 31, 2025
Details of CSR expenditure:		
a) Amount required to be spent by the Company during the year	1,052.07	778.03
b) Amount spent during the year :		
(i) Construction / acquisition of asset	-	-
(ii) On purposes other than (i) above	1,075.38	778.03
c) Shortfall / (excess) at the end of the year	(23.31)	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall	Not applicable	Not applicable
f) Details of related party transactions	-	-

g) The movements in the provision for unspent CSR (relating to ongoing project) is as follows:

Particulars	March 31, 2026		March 31, 2025	
	With Company	In Separate CSR Unspent account	With Company	In Separate CSR Unspent account
Opening balance	-	-	49.36	50.35
Amount required to be spent during the year	1,052.07	-	778.03	-
Transfers	-	-	(49.36)	49.36
Amount spent during the year *	(1,052.07)	-	(778.03)	(99.71)
Closing balance	-	-	-	-

* restricted to the extent of required expenditure

Note:

- The expenditure incurred has been approved by the Board of Directors.
- During the year, Company has made contributions towards skill development, environment and sustainably, community support and road safety projects

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

- 27** Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate INR 9,986.69 lakhs (March 31, 2025: INR 8,513.68 lakhs). The capital expenditure incurred during the year for research and development purposes aggregate INR 1,416.81 lakhs (March 31, 2025: INR 5,108.10 lakhs).

28 Income tax expense

	March 31, 2026	March 31, 2025
A. Amounts recognised in profit or loss		
Current Tax:		
Current year	18,312.49	14,283.87
Deferred Tax:		
Relating to the reversal and origination of temporary differences	(953.19)	529.95
Tax expense	17,359.30	14,813.82
B. Amounts recognised in other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability / (asset)	(22.96)	(107.27)
	(22.96)	(107.27)
C. Reconciliation of effective tax rate		
Profit before tax	68,026.85	60,679.64
Company's domestic tax rate	25.168%	25.168%
Tax using the Company's domestic tax rate	17,121.00	15,271.85
Tax effect of:		
- Non deductible expenses	288.36	155.61
- Others	(50.06)	(613.64)
	17,359.30	14,813.82

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, 2026		
Re-measurement gains (losses) on defined benefit plans	(506.92)	(506.92)
	(506.92)	(506.92)
During the year ended March 31, 2025		
Re-measurement gains (losses) on defined benefit plans	(426.22)	(426.22)
	(426.22)	(426.22)

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(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, 2026	March 31, 2025
Profit after tax	50,667.55	45,865.82
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	267.13	241.81
- Diluted	267.13	241.81

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

32 Employee Benefits Obligation

Defined Benefit Plan

Gratuity

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in accordance with the provisions under the Code on Social Security, 2020. Vesting occurs upon completion of contractual period of continuous years of service as defined in the Code on Social Security, 2020. 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 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 neutralize 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

33 Defined Benefit Plan

	Gratuity		Pension Plan	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Current service cost	731.51	568.43	-	-
Net interest expense / (income)	130.03	83.55	(69.44)	(73.19)
Past service cost	627.50	-		
Components of defined benefit cost recognised in profit or loss	1,489.04	651.98	(69.44)	(73.19)
Re-measurement on the net defined benefit liability comprising:				
Actuarial (gains)/losses changes arising from changes in financial assumptions	(274.53)	200.99	(92.83)	114.87
Actuarial (gains)/losses changes arising from experience adjustments	391.32	262.26	(7.87)	(79.12)
Return on plan assets (excluding amounts included in net interest expense)	(25.55)	34.49	539.34	-
Components of defined benefit cost recognised in other comprehensive income	91.24	497.74	438.64	35.75
	1,580.28	1,149.72	369.20	(37.44)

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:

Present value of defined benefit obligation	6,136.79	4,808.76	2,075.03	2,213.26
Fair value of plan assets	3,883.87	3,112.56	2,774.83	3,282.26
Net assets/(liabilities) from defined benefit obligation	(2,252.92)	(1,696.20)	699.80	1,069.00

Movements in the present value of the defined benefit obligation were as follows:

Opening defined benefit obligation	4,808.76	3,867.24	2,213.26	2,138.08
Current service cost	731.51	568.43	-	-
Interest cost	336.98	278.24	143.76	151.70
Past service cost	627.50	-		
Actuarial (gains)/losses changes arising from changes in financial assumptions	(274.53)	200.99	(92.83)	114.87
Actuarial (gains)/losses changes arising from experience adjustments	391.32	262.26	(7.87)	(79.12)
Benefits paid	(484.75)	(368.40)	(181.28)	(112.28)
Closing defined benefit obligation	6,136.79	4,808.76	2,075.03	2,213.26

Movements in the fair value of the plan assets were as follows:

Opening fair value of plan assets	3,112.56	2,705.99	3,282.26	3,169.65
Investment / Interest Income	206.95	194.69	213.20	224.89
Employer's Contributions	929.30	614.77	(539.35)	-
Return on plan assets (excluding amounts included in net interest expense)	25.55	(34.49)	-	-
Benefits paid	(390.49)	(368.40)	(181.28)	(112.28)
Closing fair value of plan assets	3,883.87	3,112.56	2,774.83	3,282.26

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Investments details:				
Investment with insurer / others	3,883.87	3,112.56	2,774.83	3,282.26
Total	3,883.87	3,112.56	2,774.83	3,282.26

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	Gratuity		Pension Plan	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Discount rate	6.00% - FTE 7.25% - Permanent employees	6.75%	7.00%	6.50%
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	80% (% of LIC 2012-15 ult.)	80% (% of LIC 2012-15 ult.)

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.

	March 31, 2026		March 31, 2025	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Gratuity plan:				
Discount rate	(266.74)	311.42	(214.52)	251.57
Future salary increases	315.38	(274.43)	253.50	(219.76)
Attrition rate	2.39	(2.48)	1.40	(1.45)
Mortality rate	0.17	(0.17)	0.10	(0.11)

	March 31, 2026		March 31, 2025	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Pension:				
Discount rate	(75.72)	86.55	(84.99)	97.78

The following payments are expected contributions to the defined benefit plan in future years:

	Gratuity		Pension Plan	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Within the next 12 months (next annual reporting period)	640.03	564.29	191.54	191.37
Between 2 and 5 years	1,940.94	1,359.06	736.17	739.03
Beyond 5 years	11,859.90	6,823.78	2,882.23	3,065.05
Total expected payments	14,440.87	8,747.13	3,809.94	3,995.45

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, 2025: 10.00 years) and pension plan is 7.00 years (March 31, 2025: 7.00 years).

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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.

Lease liabilities	March 31, 2026	March 31, 2025
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	1,090.57	1,433.72
Later than one year and not later than five years	4,567.32	4,473.73
More than five years	1,237.76	2,314.07

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, 2026 was INR 85.46 lakhs (March 31, 2025 was INR 89.36 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, 2026	March 31, 2025
Less than one year	127.92	85.26
One to two years	125.43	85.26
Two to three years	96.57	82.76
Three to four years	-	61.70
Four to five years	-	-
More than five years	-	-
Total	349.92	314.98

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, 2026	March 31, 2025
In respect of CENVAT and service tax matters	0.88	0.88
In respect of income tax matters	135.78	139.10
In respect of property tax matters	32.40	32.40
In respect of GST matters	5,702.02	-
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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

B) Commitments

	March 31, 2026	March 31, 2025
a) Capital commitments in relation to purchase of property, plant and equipment not provided for	3,651.80	5,281.40

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, 2026	March 31, 2025
(a) Principal amount remaining unpaid to any supplier as at the end of the year.	2,627.66	1,062.54
Interest due thereon remaining unpaid to any supplier as at the end of the year.	26.72	1.27
(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	15.20	7.45
(d) The amount of interest accrued and remaining unpaid at the end of the year;	231.30	189.38
(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.	41.92	8.72

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

WABCO Compressor Manufacturing Co. USA

WABCO Korea Ltd, Korea

WABCO USA LLC, USA

ZF (Shanghai) Management Co, Ltd

ZF Active Safety and Electronics US LLC, USA

ZF Automotive Brasil LTDA, Brazil

ZF Automotive Systems Poland Sp. z o.o.

ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China

ZF CV Control Systems Manufacturing India Private Limited

ZF CV Distribution Germany GmbH & Co. KG, Germany

ZF CV Systems Global GmbH, Switzerland

ZF Digital Solutions International B.V.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

ZF Friedrichshafen AG
 ZF India Private Limited
 ZF CVS Turkey Fren Sistemleri Sanayi Ticaret Ltd.
 ZF Drivtech (Jiaxing) Co., Ltd
 WABCO IP Holdings LLC, USA
 ZF CV Systems Europe BV, Belgium
 ZF Rane Automotive India Private Limited
 Guang Dong WABCO Fuwa Vehicle Brakes Co Limited
 ZF CV Solutions (Thailand) Limited
 WABCO Asia Private Limited, Singapore
 WABCO Middle East and Africa FZCO, Dubai
 ZF CV Logistics Germany GmbH, Germany
 ZF CV Solutions Japan, Inc., Japan
 ZF CV Systems Hannover GmbH, Germany
 ZF CV Systems North America LLC, USA
 ZF CV Systems Poland Sp. z o.o., Poland
 ZF CVS Turkey Fren Sistemleri
 WABCO Radbremesen GmbH, Germany
 ZF Digital Solutions India Private Limited
 ZF Light Vehicle Systems India Private Limited
 ZF Commercial Vehicle Solutions India Private Limited
 ZF CV Logistics Germany GmbH
 Wabco IP Holdings LLC
 WABCO Radbremesen GmbH
 ZF Automotive Systems (Shanghai) Co Ltd., China
 WABCO Holdings Inc., USA
 ZF Wind Power Coimbatore Private Limited
 ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.
 Changchun WABCO Vehicle Control System Co. Ltd
 ZF Commercial Vehicle Systems (Jinan) Co., Ltd., China
 ZF Autocruise France SAS
 ZF CV Distribution UK Ltd.
 ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.

Others - Companies in which directors are interested

Pinnacle Mobility Solutions Private Limited (from 01 January 2026)

Key Management Personnel

Mr. P Kaniappan - Managing Director (Upto 30 June 2025)
 Mr. Parmjit Singh Chadha - Managing Director (From 1 July 2025)
 Ms. Sweta Agarwal - Chief Financial Officer
 Ms. M Muthulakshmi - Company Secretary (Upto 24 March 2026)
 Ms. C V Kavviya - Compliance Officer (From 25 March 2026)
 Dr. Christian Brenneke - Non-executive Director (Upto 4 November 2025)
 Mr. Ivan Brajdic - Non-executive Director (From 5 November 2025)
 Mr. Philippe Colpron - Non-executive Director (Upto 20 August 2025)
 Dr. Lars Orlik (From 21 August 2025)
 Mr. Mahesh Chhabria - Independent Director
 Ms. Rashmi Urdhwareche - Independent Director
 Ms. Amrita Verma Chowdhury - Independent Director
 Mr. Akash Passey - Chairman and Non-executive Director (from 22 May 2024)
 Mr. Neeraj Sagar - Independent Director (from 22 May 2024)

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

37.2 Related party transactions

SI No	Nature of transactions	Name of the company	Fellow subsidiaries/ Others		Key management personnel	
			Year ended		Year ended	
			March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
1.a	Purchase of goods, net	Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	-	2.20	-	-
		ZF CV Solutions (Thailand) Limited	-	4.25	-	-
		WABCO Compressor Manufacturing Co. USA	57.05	40.79	-	-
		WABCO Korea Ltd, Korea	0.48	-	-	-
		WABCO USA LLC, USA	36.15	-	-	-
		ZF (Shanghai) Management Co, Ltd	1,382.17	179.23	-	-
		ZF Active Safety and Electronics US LLC, USA	5.44	0.78	-	-
		ZF Automotive Brasil LTDA, Brazil	86.03	87.35	-	-
		ZF Automotive Systems Poland Sp. z o.o.	2.12	-	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	3,282.35	2,178.44	-	-
		ZF CV Control Systems Manufacturing India Private Limited	1,181.44	351.40	-	-
		ZF CV Distribution Germany GmbH & Co. KG, Germany	141.46	109.18	-	-
		ZF CV Systems Global GmbH, Switzerland	11,112.13	10,329.37	-	-
		ZF CV Systems North America LLC, USA	-	0.13	-	-
		ZF Digital Solutions International B.V.	91.59	-	-	-
		ZF Friedrichshafen AG	7,081.42	3,052.87	-	-
		ZF India Private Limited	0.73	13.34	-	-
		ZF CVS Turkey Fren Sistemleri Sanayi Ticaret Ltd.	4.66	-	-	-
		ZF Rane Automotive India Private Limited	-	5.25	-	-
		ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.	-	2.22	-	-
		ZF Drivotech (Jiaxing) Co., Ltd	7.15	6.74	-	-
1.b	Purchase of Property, Plant and Equipment	ZF CV Control Systems Manufacturing India Private Limited	-	1,108.80	-	-
2	Services received					
	Royalty	WABCO IP Holdings LLC, USA	223.91	207.66	-	-
	Royalty	ZF CV Systems Europe BV, Belgium	9,781.97	8,679.12	-	-
	Royalty	ZF CV Systems Global GmbH, Switzerland	97.04	140.46	-	-
	Information Technology Support Services	ZF Friedrichshafen AG	4,529.53	3,469.47	-	-
	Research and Development	ZF Friedrichshafen AG	-	0.74	-	-
	Engineering Service	ZF Rane Automotive India Private Limited	0.76	-	-	-
	Rent	ZF India Private Limited	28.01	30.99	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(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, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	Professional fees	ZF Friedrichshafen AG	57.29	8.51	-	-
	Professional and other fees	ZF India Private Limited	549.04	533.92	-	-
3	Sale of products, net	Changchun WABCO Vehicle Control System Co. Ltd	-	78.24	-	-
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	163.03	7.05	-	-
		ZF CV Solutions (Thailand) Limited	165.76	352.28	-	-
		WABCO Asia Private Limited, Singapore	330.79	369.83	-	-
		WABCO Compressor Manufacturing Co. USA	20.61	32.66	-	-
		WABCO Korea Ltd, Korea	505.71	186.00	-	-
		WABCO Middle East and Africa FZCO, Dubai	594.94	865.34	-	-
		WABCO USA LLC, USA	27.78	18.24	-	-
		ZF (Shanghai) Management Co, Ltd	123.03	36.69	-	-
		ZF Automotive Brasil LTDA, Brazil	1,521.14	1,850.88	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	675.88	1,007.06	-	-
		ZF CV Control Systems Manufacturing India Private Limited	713.39	222.37	-	-
		ZF CV Logistics Germany GmbH, Germany	9.70	-	-	-
		ZF CV Solutions Japan, Inc., Japan	2,307.46	2,188.81	-	-
		ZF CV Systems Europe BV, Belgium	746.33	529.70	-	-
		ZF CV Systems Global GmbH, Switzerland	78,096.17	87,619.98	-	-
		ZF CV Systems Hannover GmbH, Germany	3.80	-	-	-
		ZF CV Systems North America LLC, USA	18.79	30.21	-	-
		ZF CV Systems Poland Sp. z o.o., Poland	12.36	0.02	-	-
		ZF CVS Turkey Fren Sistemleri	114.05	35.24	-	-
		ZF India Private Limited	8.27	5.16	-	-
		Pinnacle Mobility Solutions Private Limited	271.36	-	-	-
		WABCO Radbremsen GmbH, Germany	0.62	0.16	-	-
4	Sale of assets	ZF CV Control Systems Manufacturing India Private Limited	-	14.09	-	-
5	Rendering of Services					
	Business Support Services	ZF CV Systems Global GmbH, Switzerland	7,416.11	6,385.24	-	-
	Business Support Services	ZF Digital Solutions India Private Limited	149.55	132.61	-	-
	Business Support Services	ZF India Private Limited	89.45	49.74	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(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, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	Business Support Services	ZF CV Control Systems Manufacturing India Private Limited	169.81	-	-	-
	Research and development services	ZF CV Systems Global GmbH, Switzerland	5,960.10	4,816.58	-	-
	Software services	ZF CV Systems Global GmbH, Switzerland	32,387.31	28,610.79	-	-
	Other services	ZF CV Solutions (Thailand) Limited	-	8.30	-	-
	Other services	ZF CV Solutions Japan, Inc., Japan	15.54	-	-	-
	Other services	ZF CV Systems Europe BV, Belgium	299.94	-	-	-
	Other services	ZF India Private Limited	7.08	-	-	-
	Other services	ZF Rane Automotive India Private Limited	0.67	-	-	-
	Other services	Pinnacle Mobility Solutions Private Limited	13.46	-	-	-
	Other services	ZF CV Control Systems Manufacturing India Private Limited	-	127.26	-	-
6	Other income					
	Interest Income	ZF CV Control Systems Manufacturing India Private Limited	68.94	65.63	-	-
	Rent	ZF Light Vehicle Systems India Private Limited	15.26	13.39	-	-
	Rent	ZF CV Control Systems Manufacturing India Private Limited	71.00	70.73	-	-
	Rent	ZF Commercial Vehicle Solutions India Private Limited	3.00	5.24	-	-
7	Receivables / (Advances received)					
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	119.72	7.01	-	-
		ZF CV Solutions (Thailand) Limited	21.37	29.41	-	-
		WABCO Asia Private Limited, Singapore	28.16	14.22	-	-
		WABCO Compressor Manufacturing Co. USA	14.62	20.89	-	-
		WABCO Holdings Inc., USA	-	24.92	-	-
		WABCO Korea Ltd, Korea	44.18	82.67	-	-
		WABCO Middle East and Africa FZCO, Dubai	95.47	155.78	-	-
		WABCO USA LLC, USA	49.80	265.32	-	-
		ZF (Shanghai) Management Co, Ltd	122.18	82.00	-	-
		ZF Automotive Brasil LTDA, Brazil	312.28	236.39	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	518.16	826.85	-	-
		ZF CV Control Systems Manufacturing India Private Limited	378.67	617.16	-	-
		ZF CV Solutions Japan, Inc., Japan	379.71	347.02	-	-
		ZF CV Systems Europe BV, Belgium	257.21	229.67	-	-
		ZF CV Systems Global GmbH, Switzerland	19,163.62	43,687.05	-	-
		ZF CV Systems Hannover GmbH, Germany	3.80	-	-	-
		ZF CV Systems North America LLC, USA	23.36	70.71	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(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, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		ZF CV Systems Poland Sp. z o.o., Poland	12.06	2.32	-	-
		ZF CVS Turkey Fren Sistemleri	79.09	20.44	-	-
		ZF Digital Solutions India Private Limited	8.67	12.66	-	-
		ZF Light Vehicle Systems India Private Limited	15.13	5.11	-	-
		ZF Commercial Vehicle Solutions India Private Limited	1.18	3.21	-	-
		ZF CV Logistics Germany GmbH	9.70	-	-	-
		Wabco IP Holdings LLC	29.73	-	-	-
		WABCO Radbremzen GmbH	0.38	-	-	-
		Pinnacle Mobility Solutions Private Limited	199.61	-	-	-
		ZF India Private Limited	-	69.90	-	-
8	Payables / (Advances paid)	ZF CV Solutions (Thailand) Limited	-	1.04	-	-
		WABCO Compressor Manufacturing Co. USA	2.32	51.88	-	-
		WABCO IP Holdings LLC, USA	52.07	103.17	-	-
		WABCO Radbremzen GmbH, Germany	-	(0.17)	-	-
		ZF CV Systems Poland Sp. z o.o., Poland	-	(12.91)	-	-
		ZF (Shanghai) Management Co, Ltd	0.48	90.16	-	-
		ZF Commercial Vehicle Systems (Jinan) Co., Ltd., China	-	11.86	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	1,365.49	805.03	-	-
		ZF CV Control Systems Manufacturing India Private Limited	50.04	247.16	-	-
		ZF CV Distribution Germany GmbH & Co. KG, Germany	-	106.33	-	-
		ZF CV Systems Europe BV, Belgium	2,690.64	827.92	-	-
		ZF CV Systems Global GmbH, Switzerland	1,812.06	1,330.47	-	-
		ZF CV Systems North America LLC, USA	-	2.94	-	-
		ZF Active Safety and Electronics US LLC, USA	-	4.42	-	-
		ZF Autocruise France SAS	-	1.61	-	-
		ZF Automotive Brasil LTDA, Brazil	39.69	68.25	-	-
		ZFAutomotiveSystems(Shanghai)CoLtd.,China	1.65	0.48	-	-
		ZF CV Distribution UK Ltd.	-	12.43	-	-
		ZF Friedrichshafen AG	5,752.75	3,174.35	-	-
		ZF India Private Limited	263.93	34.87	-	-
		ZF CVS Turkey Fren Sistemleri Sanayi Ticaret Ltd.	3.65	-	-	-
		ZF Digital Solutions International B.V.	22.83	-	-	-
		ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.	-	2.22	-	-
		ZF Drivotech (Jiaxing) Co., Ltd	1.30	6.74	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(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, 2026	March 31, 2025	March 31, 2026	March 31, 2025
9	Remuneration to Key managerial personnel (including commission to independent directors)	Salaries and Allowances	-	-	401.04	373.60
		Contribution to provident and other funds	-	-	208.86	27.83
		Incentive	-	-	176.69	183.22
		Commission and sitting fees	-	-	130.16	120.20
10	Reimbursement of expenses paid / (received)	ZF CV Systems Hannover GmbH, Germany	-	-	-	-
		WABCO Holdings Inc., USA	(29.73)	(25.38)	-	-
		WABCO USA LLC, USA	(70.79)	-	-	-
		ZF CV Solutions (Thailand) Limited	(9.37)	(8.30)	-	-
		ZF Digital Solutions India Private Limited	(2.94)	-	-	-
		ZF Wind Power Coimbatore Private Limited	10.14	-	-	-
		ZF India Private Limited	19.64	-	-	-
		ZF Light Vehicle Systems India Private Limited	-	-	-	-
		ZF CV Control Systems Manufacturing India Private Limited	(117.75)	(198.96)	-	-
11.a	Loans given	ZF CV Control Systems Manufacturing India Private Limited	1,000.00	-	-	-
11.b	Loans repaid	ZF CV Control Systems Manufacturing India Private Limited	(500.00)	(500.00)	-	-
12	Loans receivable	ZF CV Control Systems Manufacturing India Private Limited	1,000.00	500.00	-	-

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".

The following are the information relating to geographical segment:

Year ended March 31, 2026	India	Others	Total
Sale of Products	2,49,940.48	1,02,247.97	3,52,188.45
Sale/rendering of services	4,351.24	46,228.76	50,580.00
Others	2,779.48	-	2,779.48
Revenue from operations	2,57,071.20	1,48,476.73	4,05,547.93
Non-current assets *	85,052.80	-	85,052.80

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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

* Non-current assets for this purpose consists of property, plant and equipment, right of use assets, intangible assets, capital work in progress, investment property, other non current assets and non current other financial assets.

Information about major customer

Revenue from major customers contributing more than 10% of revenue from operations amounted to INR 208,608.58 lakhs (March 31, 2025: INR 198,111.08 lakhs)

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, 2026

Particulars	Fair Value Measurement using			
	Total	Level 1	Level 2	Level 3
Asset measured at fair value:				
FVTPL financial investments:				
Unquoted Mutual Funds	60,347.99	60,347.99	-	-

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	-	-

There have been no transfers between Level 1 and Level 2 during the year.

All other financial liabilities & assets are carried at amortized 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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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 USD , 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, 2026		March 31, 2025	
	5% increase	5% decrease	5% increase	5% decrease
Impact of change in USD rates				
Trade receivables	95.75	(95.75)	113.37	(113.37)
Payables	78.66	(78.66)	33.82	(33.82)
Cash and cash equivalents	7.58	(7.58)	14.31	(14.31)
Impact of change in EURO rates				
Trade receivables	1,129.20	(1,129.20)	2,220.25	(2,220.25)
Payables	404.98	(404.98)	225.06	(225.06)
Cash and cash equivalents	547.91	(547.91)	267.30	(267.30)

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 317,192.94 lakhs as at March 31, 2026 and INR 263,165.58 lakhs as at March 31, 2025, being the total of the carrying amount of balances with banks, deposits with banks, trade receivables and other financial assets. As at March 31, 2026, 78% of the total dues was receivable from top 10 customers (as at March 31, 2025 - 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, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Trade payables Ageing Schedule

As at March 31, 2026

	Contractual cashflows					Total
	Carrying amount	Less than 1 year	1 to 2 Years	2 to 5 Years	> 5 years	
Trade payables	42,114.11	42,114.11	-	-	-	42,114.11
Lease liabilities	5,482.30	1,090.57	1,101.26	3,466.06	1,237.76	6,895.65
Other financial liabilities	4,889.13	4,889.13	-	-	-	4,889.13
	52,485.54	48,093.81	1,101.26	3,466.06	1,237.76	53,898.89

As at March 31, 2025

	Contractual cashflows					Total
	Carrying amount	Less than 1 year	1 to 2 Years	2 to 5 Years	> 5 years	
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

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, 2026	March 31, 2025
Trade payables	42,114.11	33,280.11
Other payables	27,039.40	21,688.47
Less: Cash and cash equivalents and current investments	(79,055.31)	(15,576.47)
Net debt	(9,901.80)	39,392.11
Shareholders Equity	3,67,637.10	3,21,080.31
Gearing ratio	(0.03)	0.12

42 Ratios

a) Current ratio = Current assets divided by Current liabilities

Particulars	March 31, 2026	March 31, 2025
Current assets	3,44,864.12	2,83,022.46
Current liabilities	61,576.73	46,931.49
Ratio	5.60	6.03
% change from previous year	(7.0%)	

Reason for change more than 25% : Not applicable

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

b) Debt-Equity Ratio = Total debt divided by total equity where total debt represents aggregate of current and non-current borrowings

Particulars	March 31, 2026	March 31, 2025
Total debt	-	-
Total equity	3,67,637.10	3,21,080.31
Ratio	-	-
% change from previous year	0.0%	

Reason for change more than 25% : Not applicable

c) Debt Service Coverage Ratio = Earnings available for debt services divided by total interest and principal repayments

Particulars	March 31, 2026	March 31, 2025
Profit after tax	50,667.55	45,865.82
Add:		
Depreciation and amortisation expense	12,961.37	12,270.06
Finance cost	528.78	570.47
Earnings available for debt services	64,157.70	58,706.35
Interest payments	528.78	570.47
Lease payments	1,076.32	616.79
Total interest and principal repayments	1,605.10	1,187.26
Ratio	39.97	49.45
% change from previous year	(19.2%)	

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, 2026	March 31, 2025
Profit after tax	50,667.55	45,865.82
Average shareholder's equity (refer note below)	3,44,358.71	2,99,972.76
Ratio	15.00%	15.00%
% change from previous year	0.0%	

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, 2026	March 31, 2025
Cost of goods sold (refer note 1 below)	2,37,827.27	2,25,402.91
Average inventory (refer note 2 below)	22,503.23	17,671.62
Ratio	10.57	12.76
% change from previous year	(17.0%)	

Note:

1. 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.
2. 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

f) Trade receivables turnover ratio = Sales divided by average trade receivables

Particulars	March 31, 2026	March 31, 2025
Turnover (refer note 1 below)	4,04,741.72	3,79,672.45
Average trade receivables (refer note 2 below)	1,01,368.13	1,02,322.51
Ratio	3.99	3.71
% change from previous year	7.5%	

Note:

1. Turnover represents revenue from operations excluding export incentives
2. 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

g) Trade payables turnover ratio = Purchases divided by average trade payables

Particulars	March 31, 2026	March 31, 2025
Purchases (refer note 1 below)	2,45,504.73	2,27,084.18
Average trade payables (refer note 2 below)	37,697.11	35,343.25
Ratio	6.51	6.43
% change from previous year	1.2%	

Note:

1. Purchases includes purchase of materials and consumption of stores and spares.
2. 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, 2026	March 31, 2025
Revenue from operations	4,05,547.93	3,80,408.92
Working capital (refer note below)	2,83,287.39	2,36,090.97
Ratio	1.43	1.61
% change from previous year	(11.2%)	

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, 2026	March 31, 2025
Net profit after tax	50,667.55	45,865.82
Revenue from operations	4,05,547.93	3,80,408.92
Ratio	12.49%	12.06%
% change from previous year	3.6%	

Reason for change more than 25% : Not applicable

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	March 31, 2026	March 31, 2025
Earnings before interest and taxes (refer note 1 below)	68,555.63	61,250.11
Capital employed (refer note 2 below)	3,69,667.12	3,25,212.50
Ratio	18.55%	18.83%
% change from previous year	(1.5%)	

Note:

1. EBIT = Profit before taxes + finance cost
2. 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, 2026	March 31, 2025
Income generated from invested funds	11,192.37	10,023.29
Average invested funds in treasury investments	1,70,214.64	1,28,580.70
Ratio	6.58%	7.80%
% change from previous year	(15.6%)	

Reason for change more than 25% : Not applicable

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

- 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.
- 43A** The Company is in the process of identifying and appointing a whole time Company Secretary as required under section 203 respectively of the Companies Act, 2013.

44 Events after the reporting period

There are no material non-adjusting events after the reporting date till the date of issue of these financial statements (i.e May 13,2026) which requires disclosure in this financial statements. Refer note 11.1 for details of proposed final dividend for the financial year 2025-26 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**
CIN : L34103TN2004PLC054667

Akash Passey
Chairman and Director
DIN: 01198068

Paramjit Singh Chadha
Managing Director
DIN: 06972549

Sweta Agarwal
Chief Financial Officer

Place: Lucknow
Date: 13 May 2026

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
Firm's Registration no. 101248W/W-100022

Priyesh Singhal
Partner
Membership no.: 138299
Place: Chennai
Date: 13 May 2026

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 2026, 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 2026, 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.

Revenue recognition

See Note 2.2(d) 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.

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 information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon. The information included in the Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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

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. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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.

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 (i) the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, and (ii) the matter that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during 01 April 2025 to 14 July 2025.

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.

In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

On the basis of the written representations received from the directors of the Holding Company as on 01 April 2026 taken on record by the Board of Directors and its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

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.

With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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: The consolidated financial statements disclose the impact of pending litigations as at 31 March 2026 on the consolidated financial position of the Group. Refer Note 34 A to the consolidated financial statements.

The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2026.

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 2026. 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 2026. The respective 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 any of such 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 any of such subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The respective 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 any of such 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 any of such 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.

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.

The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous years, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 11.1 to the consolidated financial statements, the respective Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the respective 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.

Based on our examination, which included test checks, the Holding Company and its subsidiary company has used an accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail was not enabled at the database level to log any direct data changes. Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across any instance of audit trail feature being tampered with. Additionally, for the periods audit trail was enabled and operating effectively, the audit trail has been preserved by the Holding Company and its subsidiary 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

Priyesh Singhal

Partner

Place: Chennai
Date: 13 May 2026

Membership No.: 138299
UDIN:26138299EXJREY4735

Annexure A to the Independent Auditor's Report

for the year ended March 31, 2026

(REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

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

Priyesh Singhal

Partner

Place: Chennai
Date: 13 May 2026

Membership No.: 138299
UDIN:26138299EXJREY4735

Annexure B to the Independent Auditor's Report for the year ended March 31, 2026

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 2026, 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 2026, 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 respective 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.

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.

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

Priyesh Singhal

Partner

Place: Chennai
Date: 13 May 2026

Membership No.: 138299
UDIN:26138299EXJREY4735



Consolidated Balance Sheet

as at March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	59,788.36	58,566.55
Capital work-in-progress	3.2	6,078.18	6,848.11
Right of use assets	3.1	12,255.86	13,690.34
Investment property	3.3	550.85	337.17
Intangible assets	3.1	569.40	1,053.05
Financial assets			
(i) Investments	4.1	177.33	177.33
(ii) Other financial assets	4.2	1,819.15	1,821.95
Deferred tax asset (net)	6.1	3,484.74	2,493.74
Non-current tax assets (net)	6.2	3,144.08	5,923.62
Other non-current assets	5	5,402.21	3,441.54
Total non-current assets		93,270.16	94,353.40
Current assets			
Inventories	7	28,149.89	19,057.01
Financial assets			
(i) Investments	4.1	60,347.99	2,856.03
(ii) Trade receivables	8	94,150.22	1,12,008.11
(iii) Cash and cash equivalents	9	19,172.67	12,959.82
(iv) Bank balances other than (iii) above	9.1	1,43,493.64	1,33,801.21
Other current assets	5	3,965.41	3,483.33
Total current assets		3,49,279.82	2,84,165.51
Total assets		4,42,549.98	3,78,518.91
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	948.38	948.38
Other equity	11	3,68,109.67	3,20,505.66
Total equity		3,69,058.05	3,21,454.04
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	12	4,787.39	5,660.02
Provisions	13	2,815.83	2,401.67
Total non-current liabilities		7,603.22	8,061.69
Current liabilities			
Financial liabilities			
(i) Lease liabilities	12	694.91	948.30
(ii) Trade payables	14		
- total outstanding dues of micro enterprises and small enterprises		2,599.26	1,072.70
- total outstanding dues of creditors other than micro enterprises and small enterprises		43,622.07	34,048.55
(iii) Other financial liabilities	15	4,945.90	5,180.98
Other current liabilities	16	7,889.17	4,521.77
Provisions	13	3,603.20	2,560.74
Current tax liabilities (net)	17	2,534.20	670.14
Total current liabilities		65,888.71	49,003.18
Total equity and liabilities		4,42,549.98	3,78,518.91

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
CIN : L34103TN2004PLC054667

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

Paramjit Singh Chadha
Managing Director
DIN: 06972549

Priyesh Singhal
Partner
Membership no.: 138299
Place: Chennai
Date: 13 May 2026

Sweta Agarwal
Chief Financial Officer
Place: Lucknow
Date: 13 May 2026

Consolidated Statement of Profit & Loss

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
INCOME			
Revenue from operations	18	4,11,894.25	3,83,096.25
Other income	19	18,318.96	10,819.72
Total income		4,30,213.21	3,93,915.97
EXPENSES			
Cost of materials consumed	20	2,35,842.67	2,22,951.60
Changes in inventories of finished goods and work-in-progress	21	1,102.26	(686.35)
Employee benefits expense	22	61,018.08	53,952.99
Finance costs	23	534.18	570.47
Depreciation and amortisation expense	24	13,179.78	12,425.23
Other expenses	25	48,430.89	43,770.20
Total expenses		3,60,107.86	3,32,984.14
Profit before exceptional item and tax		70,105.35	60,931.83
Exceptional item	25A	793.51	-
Profit before tax		69,311.84	60,931.83
Tax expense	26		
- Current tax		18,565.11	14,342.61
- Deferred tax		(968.04)	516.22
		17,597.07	14,858.83
Profit for the year		51,714.77	46,073.00
Other comprehensive income /(loss)			
Items that will not be reclassified to profit or loss			
Remeasurements Gain/(loss) of defined benefit liability / (asset)	27	(529.88)	(533.49)
Income tax relating to items that will not be reclassified to profit or loss	26	22.96	107.27
Other comprehensive income /(loss) for the year, net of tax		(506.92)	(426.22)
Total comprehensive income for the year, net of tax		51,207.85	45,646.78
Earnings per equity share of INR 5 each			
Basic earnings per share (INR)	28	272.65	242.90
Diluted earnings per share (INR)	28	272.65	242.90

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
 CIN : L34103TN2004PLC054667

Akash Passey
 Chairman and Director
 DIN: 01198068

Sweta Agarwal
 Chief Financial Officer

Place: Lucknow
 Date: 13 May 2026

Paramjit Singh Chadha
 Managing Director
 DIN: 06972549

As per our report of even date
For B S R & Co. LLP
 Chartered Accountants
 Firm's Registration no. 101248W/W-100022

Priyesh Singhal
 Partner
 Membership no.: 138299
 Place: Chennai
 Date: 13 May 2026



Consolidated Statement of Cash Flows

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	March 31, 2026	March 31, 2025
A. Cash flow from/(used) in operating activities:			
Profit before tax		69,311.84	60,931.83
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortisation expense	24	13,179.78	12,425.23
Profit on sale of financial instruments (net)	19	(2,691.97)	(873.49)
Reversal of Expected credit loss (net)	19	(1,003.14)	945.50
Interest income	19	(8,431.46)	(9,084.17)
Finance costs	23	534.18	570.47
Net loss on sale of property, plant and equipment	25	209.70	61.26
Provision for capital advances		-	-
Net foreign exchange differences (unrealised)		(737.48)	(797.71)
Operating profit before working capital changes		70,371.45	64,178.92
Adjustments for :			
(Increase)/ decrease in inventories		(9,092.88)	(1,522.59)
(Increase)/ decrease in trade receivables		18,638.71	(18,498.05)
(Increase)/ decrease in other financial assets		91.07	(62.53)
(Increase)/ decrease in other assets		(779.22)	605.31
Increase / (decrease) in trade payables, provisions and other liabilities, including financial liabilities		15,708.18	(2,546.67)
Cash generated from operations		94,937.31	42,154.39
Income tax paid		(13,921.51)	(13,546.02)
Net cash flow from/(used) in operating activities		81,015.80	28,608.37
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)		(14,593.38)	(16,635.15)
Proceeds from sale of property, plant and equipment		21.61	89.10
(Payment) for acquiring / proceeds from termination of right of use assets		218.50	0.17
Purchase of investment property		(240.36)	(111.97)
Purchase of mutual fund units		(73,796.31)	(34,998.25)
Proceeds from sale of mutual fund units		18,996.32	35,344.37
Purchase of non-current investments		-	(2.33)
(Purchase of) / proceeds from maturity of bank deposits (net)		(10,790.98)	(14,984.96)
Interest received		9,441.74	8,525.34
Net cash flows from/(used) in investing activities		(70,742.86)	(22,773.68)
C. Cash flow from/(used) in financing activities:			
Dividend paid		(3,603.84)	(3,224.49)
Payment of lease liabilities		(1,145.48)	(624.89)
Payment of interest on lease liabilities		(459.62)	(562.02)
Net cash flows from/(used) in financing activities		(5,208.94)	(4,411.40)
Net increase / (decrease) in cash and cash equivalents [A+B+C]		5,064.00	1,423.29
Cash and cash equivalents at the beginning of the year		12,959.82	11,445.79
Effect of movements in exchange rates on cash held		1,148.85	90.74
Cash and cash equivalents as at end of the year		19,172.67	12,959.82
Components of cash and cash equivalents			
i) Cash on hand		-	-
ii) On current accounts		19,172.67	12,959.82
Cash and cash equivalents as per balance sheet (refer note 9)		19,172.67	12,959.82
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
 CIN : L34103TN2004PLC054667

Akash Passey
 Chairman and Director
 DIN: 01198068

Paramjit Singh Chadha
 Managing Director
 DIN: 06972549

Sweta Agarwal
 Chief Financial Officer

Place: Lucknow
 Date: 13 May 2026

As per our report of even date
For B S R & Co. LLP
 Chartered Accountants
 Firm's Registration no. 101248W/W-100022

Priyesh Singhal
 Partner
 Membership no.: 138299
 Place: Chennai
 Date: 13 May 2026

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

(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 1, 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
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	1,89,67,584	948.38

b. Other equity

For the year ended March 31, 2026

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 1, 2025	24,776.38	5.00	2,95,724.28	-	3,20,505.66
Profit for the year	-	-	51,714.77	(506.92)	51,207.85
Other comprehensive income (Note 27)	-	-	(506.92)	506.92	-
Total	24,776.38	5.00	3,46,932.13	-	3,71,713.51
Dividend	-	-	(3,603.84)	-	(3,603.84)
Balance as at March 31, 2026	24,776.38	5.00	3,43,328.29	-	3,68,109.67

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 1, 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

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
 CIN : L34103TN2004PLC054667

Akash Passey
 Chairman and Director
 DIN: 01198068

Sweta Agarwal
 Chief Financial Officer

Place: Lucknow
 Date: 13 May 2026

Paramjit Singh Chadha
 Managing Director
 DIN: 06972549

As per our report of even date
For B S R & Co. LLP
 Chartered Accountants
 Firm's Registration no. 101248W/W-100022

Priyesh Singhal
 Partner
 Membership no.: 138299
 Place: Chennai
 Date: 13 May 2026

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 authorized for issue in accordance with a resolution of the Board of directors at the meeting held on 13 May 2026.

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.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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) Significant accounting judgements, estimates and assumptions:

Significant accounting judgements, estimates and assumptions identified by the management is mentioned in Note 29 of this consolidated financial statements.

(d) 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 recognized 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 recognized 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 recognized 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 recognized 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, 2026

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.

(e) 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

- 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 recognized in the consolidated financial statements on a recurring basis, the Group 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 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 summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the consolidated financial statements

(f) 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.

(g) 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.

(h) 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 recognized 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 recognized 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.

(i) 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

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for the year ended March 31, 2026

recognized 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 recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

(j) 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.

(k) 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 recognized 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.

(l) 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.

(m) Property, plant and equipment

Property, plant and equipment are recognized when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably.

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.

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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.

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 recognized in the consolidated statement of profit and loss when the asset is derecognized.

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.

Subsequent expenditure is capitalised only when 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. Otherwise, such expenditure is recognised in the statement of profit and loss as incurred.

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 1, 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

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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.

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 recognized 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 recognized 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.

(n) 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. 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
Office & other equipments	5-13
Furniture and fixtures	10
Lease Hold Land	99

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

The residual values, useful lives and methods of depreciation of investment property are reviewed at each financial year end and adjusted prospectively, if appropriate.

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.

(o) 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.

(p) 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

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.

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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.

(q) Retirement and other employee benefits

i. Defined benefit plan

• Provident Fund

Eligible employees of Group received benefits from a provident fund, which was a defined contribution plan. Under the plan, both the eligible employee and the Group 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

In accordance with Indian law, the Group operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in accordance with the provisions under the Code on Social Security, 2020. Vesting occurs upon completion of contractual period of continuous years of service as defined in the Code on Social Security, 2020. The level of benefits provided depends on the member's length of service and salary at retirement age. 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.

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

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fund 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.

(r) 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.

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

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- 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 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 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. 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

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for the year ended March 31, 2026

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 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.

(s) 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.

(t) 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.

(u) 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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants.

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2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk.

3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively

The Group has reviewed the new pronouncements and amendments and based on its evaluation has determined that it does not have any significant impact in its Consolidated financial statements.

Notes to the Consolidated Financial Statements

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

3.1 Property plant and equipment, Right of use assets and Intangible assets

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 1, 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
Balance as at April 1, 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
Add: Additions	-	593.83	10,802.34	182.95	1,002.77	202.03	12,783.92	-	19.46	19.46	109.60
Less: Disposals / Derecognition	-	-	7,725.59	44.83	660.55	111.84	8,542.81	230.00	879.46	1,109.46	-
Less: Reclassification to investment property	-	-	-	-	-	-	-	13.41	-	13.41	-
Balance as at March 31, 2026	1,829.06	17,269.74	99,642.78	2,505.54	13,682.23	692.78	1,35,622.13	8,310.05	6,910.29	15,220.34	5,763.14
Accumulated depreciation and impairment losses											
Balance as at April 1, 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	-	-	-	-
Less: Reclassification to investment property	-	-	-	-	-	-	-	0.19	-	0.19	-
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
Balance as at April 1, 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
Add: Charge for the year	-	676.70	8,657.51	220.29	1,711.27	58.66	11,324.43	127.46	1,095.03	1,222.49	593.25
Less: Disposals / Derecognition	-	-	7,550.76	40.19	618.73	95.44	8,305.13	11.50	879.46	890.96	-
Less: Reclassification to investment property	-	-	-	-	-	-	-	0.46	-	0.46	-
Balance as at March 31, 2026	-	5,447.14	58,838.14	1,039.55	10,136.66	372.27	75,833.77	445.83	2,518.65	2,964.48	5,193.74
Carrying amounts											
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
As at March 31, 2026	1,829.06	11,822.60	40,804.64	1,466.00	3,545.57	320.51	59,788.36	7,864.22	4,391.64	12,255.86	569.40

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, 2026

(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, 2026	March 31, 2025
Opening balance	6,848.11	8,396.54
Additions	12,363.93	16,998.31
Capitalisation / adjustments	(12,893.52)	(18,434.77)
Reclassification to investment property	(240.34)	(111.91)
Closing balance	6,078.18	6,848.11

Ageing schedule	As at March 31, 2026					As at March 31, 2025				
	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	4,511.55	1,566.63	-	-	6,078.18	5,843.32	1,004.79	-	-	6,848.11
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	4,511.55	1,566.63	-	-	6,078.18	5,843.32	1,004.79	-	-	6,848.11

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 1, 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
Balance as at April 1, 2025	11.91	265.32	38.02	0.94	41.10	357.29
Add: Additions	-	240.34	-	-	-	240.34
Add: Reclassification from right of use assets (refer note 3.1)	12.95	-	-	-	-	12.95
Balance as at March 31, 2026	24.86	505.66	38.02	0.94	41.10	610.58
Accumulated depreciation						
Balance as at April 1, 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
Balance as at April 1, 2025	0.21	7.04	4.84	0.14	7.89	20.12
Add: Depreciation for the year	0.74	27.48	4.08	0.14	7.17	39.61
Balance as at March 31, 2026	0.95	34.52	8.92	0.28	15.06	59.73
Carrying amounts						
As at March 31, 2025	11.70	258.28	33.18	0.80	33.21	337.17
As at March 31, 2026	23.91	471.14	29.10	0.66	26.04	550.85

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Investment property comprises land and building that are leased to fellow subsidiaries. Further information about these leases are included in Note 33. During the year ended March 31, 2026, 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.

The Group has no restrictions on the realisability of its investment property.

	March 31, 2026	March 31, 2025
B. Amounts recognised in profit or loss		
Rental income from the investment property	14.72	18.62
Less: Depreciation	(39.61)	(18.15)
Profit	(24.89)	0.47

C. Fair value hierarchy and valuation technique

The Group has assessed the fair valuation of its investment property through an accredited external independent valuers registered under Companies (Registered Valuer and Valuation) Rules, 2017. The fair value of investment properties amounted to INR 548.26 lakhs (March 31, 2025: INR 347.20 lakhs). The fair value measurement has been categorized as a level 2 fair value based on inputs to the valuation technique used. The valuation technique used by the valuer for leasehold land and building is based on discounted cash flow method and valuation for other assets has been determined based on replacement cost.

4.1 Investments

	March 31, 2026	March 31, 2025
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	2.33
	177.33	177.33
Aggregate value of unquoted investments	177.33	177.33
Current - unquoted		
Investments in Mutual Funds	60,347.99	2,856.03
	60,347.99	2,856.03
Aggregate value of unquoted investments	60,347.99	2,856.03
Aggregate amount of impairment in value of investments	-	-

4.2 Other financial assets

	March 31, 2026	March 31, 2025
Non-Current		
Non-current bank balances (refer note below)	426.23	337.96
Security deposits	1,392.92	1,483.99
	1,819.15	1,821.95

Note: Represents deposits placed with banks as margin money towards guarantees provided by the banks on behalf of the Group.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

5 Other assets

	March 31, 2026	March 31, 2025
Non-Current		
Capital advances (Unsecured considered good)	2,225.70	529.73
Capital advances (Unsecured considered doubtful)	137.14	169.58
Less: Provision for doubtful advances	(137.14)	(169.58)
	2,225.70	529.73
Amount paid under protest	2,476.71	1,842.81
Net defined benefit asset – pension plan (refer note 31)	699.80	1,069.00
	5,402.21	3,441.54
Current		
Advances to vendors (Unsecured considered good) *	1,668.13	1,617.67
Advances to vendors (Unsecured considered doubtful)	135.88	697.00
Less: Provision for doubtful advances	(135.88)	(697.00)
	1,668.13	1,617.67
Grant receivable (export incentive)	53.47	55.22
Prepaid expenses	1,491.61	1,295.11
Balance with government authorities	752.20	515.33
	3,965.41	3,483.33

* 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		Recognised in Profit and Loss		Recognised in Other Comprehensive Income	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Deferred tax assets						
Provision for doubtful trade receivables and advances	586.86	928.07	(341.21)	237.91	-	-
Provision for employee benefits and others	2,477.43	1,362.66	1,091.81	45.98	22.96	107.27
Provision for warranty	406.27	333.42	72.85	(161.76)	-	-
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	-	-	-	(72.42)	-	-
Others	357.61	487.67	(130.06)	52.15	-	-
Total (A)	3,828.17	3,111.82	693.39	101.86	22.96	107.27
Deferred tax liabilities						
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	(361.39)	(618.08)	(256.69)	618.08	-	-
Others	17.96	-	(17.96)	-	-	-
Total (B)	(343.43)	(618.08)	(274.65)	618.08	-	-
Deferred tax expenses / (income) (B-A)			(968.04)	516.22	(22.96)	(107.27)
Net deferred tax (liabilities) / assets (A-B)	3,484.74	2,493.74				

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Reconciliation of deferred tax assets / (liabilities) - (net)

	March 31, 2026	March 31, 2025
As on 1 April	2,493.74	2,902.69
Tax income/(expense) during the period recognised in profit and loss	968.04	(516.22)
Tax income/(expense) during the period recognised in OCI	22.96	107.27
As on 31 March	3,484.74	2,493.74

6.2 Non-current tax assets (net)

	March 31, 2026	March 31, 2025
Advance income tax (net of provision for tax)	3,144.08	5,923.62
	3,144.08	5,923.62

7 Inventories

	March 31, 2026	March 31, 2025
<i>(lower of cost and net realisable value)</i>		
Raw materials *	23,591.43	13,436.21
Work-in-progress	420.30	407.10
Finished goods	2,766.71	3,882.17
Stores and spare parts	1,371.45	1,331.53
	28,149.89	19,057.01
*includes goods in transit	7,366.71	5,212.03

During the year ended March 31, 2026: INR 21.29 lakhs (March 31, 2025: INR 27.99 lakhs) was recognised as an expense for inventories carried at net realisable value.

8 Trade receivables

	March 31, 2026	March 31, 2025
Trade receivables		
Unsecured, considered good	95,689.31	1,14,550.34
	95,689.31	1,14,550.34
Less: Loss allowance (expected credit loss allowance)	(1,539.09)	(2,542.23)
	94,150.22	1,12,008.11

Trade receivables Ageing schedule

As at March 31, 2026

	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	90,636.62	4,238.51	475.76	233.87	29.47	75.08	95,689.31
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	-	-	-	-	-	-	-
	90,636.62	4,238.51	475.76	233.87	29.47	75.08	95,689.31

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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

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, 2026	March 31, 2025
Balances with banks:		
- On current accounts	19,172.67	12,959.82
	19,172.67	12,959.82
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
i) On current accounts	19,172.67	12,959.82
	19,172.67	12,959.82

9.1 Other bank balances

	March 31, 2026	March 31, 2025
Deposits with banks with original maturity of more than three months but less than twelve months	1,43,457.49	1,33,767.77
Earmarked balances with banks	36.15	33.44
	1,43,493.64	1,33,801.21
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)	94,150.22	1,12,008.11
Cash and cash equivalents (note 9)	19,172.67	12,959.82
Bank balances other than cash and cash equivalents (note 9.1)	1,43,493.64	1,33,801.21
Other financial assets (note 4.2)	1,819.15	1,821.95
Total financial assets at amortised cost	2,58,635.68	2,60,591.09

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

10 Equity share capital

	March 31, 2026	March 31, 2025
Authorised capital		
20,000,000 equity shares of INR 5 each (March 31, 2025: 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, 2025: 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 1, 2024	1,89,67,584	948.38
Issued during the year	-	-
At March 31, 2025	1,89,67,584	948.38
Issued during the year	-	-
At March 31, 2026	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, 2026		March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
WABCO Asia Private Limited, Singapore (Holding Company)	1,13,80,551	569.03	1,19,80,684	599.03

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, 2026		March 31, 2025	
	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)	1,13,80,551	60.00%	1,19,80,684	63.16%

As per records of the Holding 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, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Details of shares held by promoters

	March 31, 2026		March 31, 2025		% 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)	1,13,80,551	60.00%	1,19,80,684	63.16%	(3.16%)
	1,13,80,551	60.00%	1,19,80,684	63.16%	(3.16%)

	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%	(11.84%)
	1,19,80,684	63.16%	1,42,25,684	75.00%	(11.84%)

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, 2026.

11 Other equity

	March 31, 2026	March 31, 2025
General reserve	24,776.38	24,776.38
Other reserves		
Capital reorganisation reserve	5.00	5.00
Retained earnings	3,43,328.29	2,95,724.28
	3,68,109.67	3,20,505.66

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, 2026	March 31, 2025
INR 19 per equity share (March 31, 2025: INR 17)	3,603.84	3,224.49
	3,603.84	3,224.49

After the reporting dates, the Board has recommended a final dividend of 80% (INR 4 per share of the face value of INR 5 each) for the financial year 2025-26 subject to the approval of the Shareholders in Annual General Meeting of the Holding Company; the dividends have not been recognised as liabilities.

	March 31, 2026	March 31, 2025
INR 4 per equity share (March 31, 2025: INR 19)	758.70	3,603.84
	758.70	3,603.84

Notes to the Consolidated Financial Statements

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

12 Lease liabilities

	March 31, 2026	March 31, 2025
Non - Current		
Lease liabilities	4,787.39	5,660.02
	4,787.39	5,660.02
Current		
Lease liabilities	694.91	948.30
	694.91	948.30

13 Provisions

	March 31, 2026	March 31, 2025
Non-current		
Provision for employee benefits		
Liability for compensated absence	2,057.75	1,578.43
Other provisions		
Provision for warranties	758.08	823.24
Total	2,815.83	2,401.67
Current		
Provision for employee benefits		
Liability for compensated absence	470.09	342.45
Liability related to Gratuity (net)	2,260.12	1,700.62
Other provisions		
Provision for warranties	872.99	517.67
Total	3,603.20	2,560.74
Provision for warranties		
At the beginning of the year	1,340.91	1,976.49
Provision made during the year	1,450.07	935.21
Utilized / reversed during the year	(1,159.91)	(1,570.79)
At the end of the year	1,631.07	1,340.91

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, 2026	March 31, 2025
Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises ('MSME')	2,599.26	1,072.70
- Total outstanding dues of creditors other than micro enterprises and small enterprises	43,622.07	34,048.55
	46,221.33	35,121.25

For amount outstanding to related parties and the terms and conditions relating to that, refer Note 35

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Trade payables Ageing Schedule

As at March 31, 2026

	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	-	-	2,599.26	-	-	-	2,599.26
Others	5,598.44	11,557.00	25,727.02	133.18	39.93	566.50	43,622.07
Disputed - MSME	-	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-	-
	5,598.44	11,557.00	28,326.28	133.18	39.93	566.50	46,221.33

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

15 Other financial liabilities

	March 31, 2026	March 31, 2025
Capital creditors		
- Total outstanding dues of micro enterprises and small enterprises ('MSME')	30.31	110.03
- Total outstanding dues of creditors other than micro enterprises and small enterprises	420.09	1,153.00
Price adjustments (refer note below)	4,459.35	3,884.54
Unpaid dividends	36.15	33.41
	4,945.90	5,180.98

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, 2026	March 31, 2025
Trade payables (note 14)	46,221.33	35,121.25
Lease liabilities (note 12)	5,482.30	6,608.32
Other financial liabilities (note 15)	4,945.90	5,180.98
	56,649.53	46,910.55

16 Other current liabilities

	March 31, 2026	March 31, 2025
Advance from customers	672.66	478.07
Statutory dues payable	1,196.39	1,776.36
Employee payables	6,020.12	2,267.34
	7,889.17	4,521.77

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

17 Current tax liabilities (net)

	March 31, 2026	March 31, 2025
Provision for taxation (net of advance income tax)	2,534.20	670.14
	2,534.20	670.14

18 Revenue from operations

	March 31, 2026	March 31, 2025
(i) Revenue from contract with customers	March 31, 2026	March 31, 2025
Sale of products (A)		
Air assist and full air actuation systems	3,00,323.43	2,83,558.10
Spares	58,356.29	50,472.60
	3,58,679.72	3,34,030.70
Sale/rendering of services (B)		
Software services	32,387.31	28,610.78
Research and development services	5,960.10	4,816.58
Business support services	7,711.55	6,470.80
Other service income	4,351.23	5,440.49
	50,410.19	45,338.65
(ii) Other operating revenue (C)		
Scrap sales	1,485.70	1,848.89
Government grant (Export incentives - Refer note below)	807.54	736.47
Test track usage income	511.10	1,141.54
	2,804.34	3,726.90
Total (A+B+C)	4,11,894.25	3,83,096.25

Note - Government grants represent export incentives that the Group is eligible for. There are no unfulfilled conditions or contingencies attached to these grants.

Disaggregated information

	March 31, 2026	March 31, 2025
Timing of revenue recognition *		
Goods / services transferred at a point in time	3,60,676.52	3,37,021.13
Services transferred over time	50,410.19	45,338.65
	4,11,086.71	3,82,359.78
<i>*excluding Government grant</i>		
Contract balances		
Trade receivables (refer note 8)	94,150.22	1,12,008.11
Contract liabilities (refer note 16)	672.66	478.07

Trade receivables are non-interest bearing and are generally on terms of 15 to 90 days.

Contract assets are recognized 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).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price

	March 31, 2026	March 31, 2025
Revenue as per contract price	4,19,394.26	3,88,211.76
Adjustments		
Discounts and price adjustments	(8,307.55)	(5,851.98)
Revenue from contract with customers	4,11,086.71	3,82,359.78

19 Other income

	March 31, 2026	March 31, 2025
Gain on sale of investments (net)	2,691.97	873.49
Gain on foreign currency transactions	6,130.76	579.43
Interest income	8,431.46	9,084.17
Reversal of Expected credit loss (net)	1,003.14	-
Rental income from investment property	14.72	18.62
Others	46.91	264.01
	18,318.96	10,819.72

20 Cost of materials consumed

	March 31, 2026	March 31, 2025
Inventories at the beginning of the year	13,436.21	12,865.55
Add: Purchases	2,45,997.89	2,23,522.26
Less: Inventories at the end of the year	23,591.43	13,436.21
Cost of raw material and components consumed	2,35,842.67	2,22,951.60

21 Changes in inventories of finished goods and work-in-progress

	March 31, 2026	March 31, 2025
Opening stock		
Work-in-progress	407.10	301.96
Finished goods	3,882.17	3,300.96
	4,289.27	3,602.92
Closing Stock		
Work-in-progress	420.30	407.10
Finished goods	2,766.71	3,882.17
	3,187.01	4,289.27
	1,102.26	(686.35)

22 Employee benefits expense

	March 31, 2026	March 31, 2025
Salaries, wages and bonus	53,286.71	46,485.56
Contribution to provident and other funds	3,601.71	3,538.99
Staff welfare expenses	4,129.66	3,928.44
	61,018.08	53,952.99

23 Finance costs

	March 31, 2026	March 31, 2025
Interest expense on lease liabilities	459.62	562.02
Interest on others	74.56	8.45
	534.18	570.47

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

24 Depreciation and amortization expense

	March 31, 2026	March 31, 2025
Depreciation of property, plant and equipment (note 3.1)	11,324.43	10,678.23
Depreciation on right of use assets (note 3.1)	1,222.49	1,074.42
Amortization of intangible assets (note 3.1)	593.25	654.43
Depreciation on investment property (note 3.3)	39.61	18.15
	13,179.78	12,425.23

25 Other expenses

	March 31, 2026	March 31, 2025
Consumption of stores and spares	4,951.39	4,872.98
Power and fuel	2,783.79	2,736.62
Rent	567.64	863.96
Repairs to buildings	887.34	452.95
Repairs to machinery	1,783.70	1,358.23
Repairs others	24.44	33.64
Insurance	206.04	272.96
Rates and taxes	1,175.40	831.50
Professional fees	5,284.59	5,693.35
Travelling and conveyance	1,558.61	1,486.87
Freight, delivery and shipping charges	8,243.06	7,099.27
Research and development expenses	1,055.08	1,103.53
Impairment allowance / reversal for bad and doubtful debts / advances	-	945.50
Directors' sitting fees	23.40	10.20
Information technology expenses	5,525.41	4,474.56
Expenditure on corporate social responsibility	1,075.38	778.03
Royalty	10,102.92	9,027.25
Net loss on sale of property, plant and equipment	209.70	61.26
Warranty	1,450.07	935.21
Other expenses (including commission to independent directors)	1,522.93	732.33
	48,430.89	43,770.20

25A Exceptional Item

	March 31, 2026	March 31, 2025
Statutory impact of New Labor Codes (Refer note below)	793.51	-
	793.51	-

Note :

The Government of India has notified the four Labour Codes — the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 on 21 November 2025, consolidating existing labour laws. The Ministry of Labour and Employment has also published draft Central Rules and FAQs to facilitate assessment of the financial impact arising from changes in regulations.

The Group has assessed and disclosed the financial implications of these changes as per guidance provided by the Institute of Chartered Accountants of India & in accordance with IND AS 19. The New Labour Codes has resulted in estimated one time increase in provision for employee benefits of the Group of INR 793.51 lakhs and considering non-recurring nature of this impact and regulatory driven, the same has been recognized under "Exceptional item" in the Consolidated Statement of Profit and Loss for the year ended March 31, 2026.

The Group continues to monitor developments of the Rules to be notified by regulatory authorities, including clarifications / additional guidance from authorities and will continue to assess the accounting implications, basis such developments/ guidance.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

26 Income tax expense

	March 31, 2026	March 31, 2025
A. Amounts recognised in profit or loss		
Current Tax:		
Current year	18,565.11	14,342.61
Deferred Tax:		
Relating to the reversal and origination of temporary differences	(968.04)	516.22
Tax expense	17,597.07	14,858.83
B. Amounts recognised in other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability / (asset)	(22.96)	(107.27)
	(22.96)	(107.27)
C. Reconciliation of effective tax rate		
Profit before tax	69,311.84	60,931.83
Group's domestic tax rate	25.168%	25.168%
Tax using the Group's domestic tax rate	17,444.40	15,335.32
Tax effect of:		
- Non deductible expenses	288.37	157.17
- Others	(135.70)	(633.66)
	17,597.07	14,858.83

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, 2026		
Re-measurement gains (losses) on defined benefit plans	(506.92)	(506.92)
	(506.92)	(506.92)
During the year ended March 31, 2025		
Re-measurement gains (losses) on defined benefit plans	(426.22)	(426.22)
	(426.22)	(426.22)

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, 2026	March 31, 2025
Profit after tax	51,714.77	46,073.00
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	272.65	242.90
- Diluted	272.65	242.90

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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 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 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. 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

In accordance with Indian law, the Group operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in accordance with the provisions under the Code on Social Security, 2020. Vesting occurs upon completion of contractual period of continuous years of service as defined in the Code on Social Security, 2020. 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 neutralize valuation swings caused by interest rate movements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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.

31 Defined Benefit Plan

	Gratuity		Pension Plan	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Current service cost	734.28	570.57	-	-
Net interest expense / (income)	130.03	83.55	(69.44)	(73.19)
Past service cost	627.50	-	-	-
Components of defined benefit cost recognised in profit or loss	1,491.81	654.12	(69.44)	(73.19)
Re-measurement on the net defined benefit liability comprising:				
Actuarial (gains)/losses changes arising from changes in financial assumptions	(274.53)	200.99	(92.83)	114.87
Actuarial (gains)/losses changes arising from experience adjustments	391.32	262.26	(7.87)	(79.12)
Return on plan assets (excluding amounts included in net interest expense)	(25.55)	34.49	539.34	-
Components of defined benefit cost recognised in other comprehensive income	91.24	497.74	438.64	35.75
	1,583.05	1,151.86	369.20	(37.44)

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	6,143.99	4,813.18	2,075.03	2,213.26
Fair value of plan assets	3,883.87	3,112.56	2,774.83	3,282.26
Net assets/(liabilities) from defined benefit obligation	(2,260.12)	(1,700.62)	699.80	1,069.00

Movements in the present value of the defined benefit obligation were as follows:

Opening defined benefit obligation	4,813.18	3,869.52	2,213.26	2,138.09
Current service cost	734.28	570.57	-	-
Interest cost	336.98	278.24	143.76	151.70

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	Gratuity		Pension Plan	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Past service cost	627.50	-		
Actuarial (gains)/losses changes arising from changes in financial assumptions	(274.53)	200.99	(92.83)	114.87
Actuarial (gains)/losses changes arising from experience adjustments	391.32	262.26	(7.87)	(79.12)
Benefits paid	(484.74)	(368.40)	(181.29)	(112.28)
Closing defined benefit obligation	6,143.99	4,813.18	2,075.03	2,213.26

Movements in the fair value of the plan assets were as follows:

Opening fair value of plan assets	3,112.56	2,705.99	3,282.26	3,169.65
Investment / Interest Income	206.95	194.69	213.20	224.89
Employer's Contributions	929.30	614.77	(539.34)	-
Return on plan assets (excluding amounts included in net interest expense)	25.55	(34.49)	-	-
Benefits paid	(390.49)	(368.40)	(181.29)	(112.28)
Closing fair value of plan assets	3,883.87	3,112.56	2,774.83	3,282.26

32 The major categories of plan assets of the fair value of the total plan assets are as follows:

	Gratuity		Pension Plan	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Investments details:				
Investment with insurer / others	3,883.87	3,112.56	2,774.83	3,282.26
Total	3,883.87	3,112.56	2,774.83	3,282.26

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	Gratuity		Pension Plan	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Discount rate	6.00% - FTE 7.25% - Permanent employees	6.75%	7.00%	6.50%
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	80% (% of LIC 2012-15 ult.)	80% (% of LIC 2012-15 ult.)

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.

	March 31, 2026		March 31, 2025	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Gratuity plan:				
Discount rate	(270.34)	307.82	(214.52)	251.57
Future salary increases	311.78	(278.03)	253.50	(219.76)
Attrition rate	1.67	(3.20)	1.40	(1.45)
Mortality rate	(0.55)	(0.89)	0.10	(0.11)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	March 31, 2026		March 31, 2025	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Pension:				
Discount rate	(75.72)	86.55	(84.99)	97.78

The following payments are expected contributions to the defined benefit plan in future years:

	Gratuity		Pension Plan	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Within the next 12 months (next annual reporting period)	640.03	564.29	191.54	191.37
Between 2 and 5 years	1,940.94	1,359.06	736.17	739.03
Beyond 5 years	11,859.90	6,823.78	2,882.23	3,065.05
Total expected payments	14,440.87	8,747.13	3,809.94	3,995.45

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, 2025: 10.00 years) and pension plan is 7.00 years (March 31, 2025: 7.00 years).

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.

Lease liabilities	March 31, 2026	March 31, 2025
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	1,090.57	1,433.72
Later than one year and not later than five years	4,567.32	4,473.73
More than five years	1,237.76	2,314.07

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, 2026 was INR 14.72 lakhs (March 31, 2025: 18.62 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, 2026	March 31, 2025
Less than one year	127.92	13.44
One to two years	125.43	13.44
Two to three years	96.57	13.44
Three to four years	-	10.08
Four to five years	-	-
More than five years	-	-
Total	349.92	50.40

Notes to the Consolidated Financial Statements

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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, 2026	March 31, 2025
In respect of CENVAT and service tax matters	0.88	0.88
In respect of income tax matters	135.78	139.10
In respect of property tax matters	32.40	32.40
In respect of GST matters	5,702.02	-
In respect of customs matters	3.69	-
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, 2026	March 31, 2025
a) Capital commitments in relation to purchase of property, plant and equipment not provided for	3,772.54	5,773.94

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

WABCO Compressor Manufacturing Co. USA

WABCO Korea Ltd, Korea

WABCO USA LLC, USA

ZF (Shanghai) Management Co, Ltd

ZF Active Safety and Electronics US LLC, USA

ZF Automotive Brasil LTDA, Brazil

ZF Automotive Systems Poland Sp. z o.o.

ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China

ZF CV Control Systems Manufacturing India Private Limited

ZF CV Distribution Germany GmbH & Co. KG, Germany

ZF CV Systems Global GmbH, Switzerland

ZF Digital Solutions International B.V.

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for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

ZF Friedrichshafen AG
 ZF India Private Limited
 ZF CVS Turkey Fren Sistemleri Sanayi Ticaret Ltd.
 ZF Drivtech (Jiaxing) Co., Ltd
 WABCO IP Holdings LLC, USA
 ZF CV Systems Europe BV, Belgium
 ZF Rane Automotive India Private Limited
 Guang Dong WABCO Fuwa Vehicle Brakes Co Limited
 ZF CV Solutions (Thailand) Limited
 WABCO Asia Private Limited, Singapore
 WABCO Middle East and Africa FZCO, Dubai
 ZF CV Logistics Germany GmbH, Germany
 ZF CV Solutions Japan, Inc., Japan
 ZF CV Systems Hannover GmbH, Germany
 ZF CV Systems North America LLC, USA
 ZF North America, Inc
 ZF CV Systems Poland Sp. z o.o., Poland
 ZF CVS Turkey Fren Sistemleri
 WABCO Radbremsen GmbH, Germany
 ZF Digital Solutions India Private Limited
 ZF Light Vehicle Systems India Private Limited
 ZF Commercial Vehicle Solutions India Private Limited
 ZF CV Logistics Germany GmbH
 Wabco IP Holdings LLC
 WABCO Radbremsen GmbH
 ZF Automotive Systems (Shanghai) Co Ltd., China
 WABCO Holdings Inc., USA
 ZF Wind Power Coimbatore Private Limited
 ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.
 Changchun WABCO Vehicle Control System Co. Ltd
 ZF Commercial Vehicle Systems (Jinan) Co., Ltd., China
 ZF Autocruise France SAS
 ZF CV Distribution UK Ltd.
 ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.

Others - Companies in which directors are interested

Pinnacle Mobility Solutions Private Limited (from 01 January 2026)

Key Management Personnel

Mr. P Kaniappan - Managing Director (Upto 30 June 2025)
 Mr. Parmjit Singh Chadha - Managing Director (From 1 July 2025)
 Ms. Sweta Agarwal - Chief Financial Officer
 Ms. M Muthulakshmi - Company Secretary (Upto 24 March 2026)
 Ms. C V Kavviya - Compliance Officer (From 25 March 2026)
 Dr. Christian Brenneke - Non-executive Director (Upto 4 November 2025)
 Mr. Ivan Brajdic - Non-executive Director (From 5 November 2025)
 Mr. Philippe Colpron - Non-executive Director (Upto 20 August 2025)
 Dr. Lars Orlik (From 21 August 2025)
 Mr. Mahesh Chhabria - Independent Director
 Ms. Rashmi Urdhwareche - Independent Director
 Ms. Amrita Verma Chowdhury - Independent Director
 Mr. Akash Passey - Chairman and Non-executive Director (from 22 May 2024)
 Mr. Neeraj Sagar - Independent Director (from 22 May 2024)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

35.2 Related party transactions

SI No	Nature of transactions	Name of the company	Fellow subsidiaries/ Others		Key management personnel	
			Year ended		Year ended	
			March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
1.a	Purchase of goods, net	Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	-	2.20	-	-
		ZF CV Solutions (Thailand) Limited	-	4.25	-	-
		WABCO Compressor Manufacturing Co. USA	57.05	40.79	-	-
		WABCO Korea Ltd, Korea	1.29	-	-	-
		WABCO USA LLC, USA	36.15	-	-	-
		ZF (Shanghai) Management Co, Ltd	1,382.17	179.23	-	-
		ZF Active Safety and Electronics US LLC, USA	5.44	0.78	-	-
		ZF Automotive Systems Poland Sp. z o.o.	2.12	-	-	-
		ZF Automotive Brasil LTDA, Brazil	86.03	87.35	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	5,334.00	2,443.26	-	-
		ZF CV Distribution Germany GmbH & Co. KG, Germany	141.46	109.18	-	-
		ZF CV Systems Global GmbH, Switzerland	11,666.03	10,411.23	-	-
		ZF CV Systems North America LLC, USA	-	0.13	-	-
		ZF Friedrichshafen AG	7,081.42	3,052.87	-	-
		ZF Light Vehicle Systems India Private Limited	751.64	173.89	-	-
		ZF India Private Limited	42.89	223.54	-	-
		ZF Digital Solutions International B.V.	91.59	-	-	-
		ZF CVS Turkey Fren Sistemleri Sanayi Ticaret Ltd.	4.66	-	-	-
		ZF Rane Automotive India Private Limited	-	5.25	-	-
		ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.	-	2.22	-	-
		ZF Drivotech (Jiaxing) Co., Ltd	7.15	6.74	-	-
2	Services received					
	Royalty	WABCO IP Holdings LLC, USA	223.91	207.66	-	-
	Royalty	ZF CV Systems Europe BV, Belgium	9,781.97	8,679.12	-	-
	Royalty	ZF CV Systems Global GmbH, Switzerland	97.04	140.46	-	-
	Information Technology Support Services	ZF Friedrichshafen AG	4,529.53	3,469.47	-	-
	Research and Development	ZF Friedrichshafen AG	-	0.74	-	-
	Engineering Service	ZF Rane Automotive India Private Limited	0.76	-	-	-
	Rent	ZF India Private Limited	28.01	30.99	-	-
	Professional fees	ZF Friedrichshafen AG	57.29	8.51	-	-
	Professional and other fees	ZF India Private Limited	549.04	533.92	-	-

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for the year ended March 31, 2026

(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, 2026	March 31, 2025	March 31, 2026	March 31, 2025	
3	Sale of products, net	Changchun WABCO Vehicle Control System Co. Ltd	-	78.24	-	-	
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	163.03	7.05	-	-	
		ZF CV Solutions (Thailand) Limited	165.76	352.28	-	-	
		WABCO Asia Private Limited, Singapore	330.79	369.83	-	-	
		WABCO Compressor Manufacturing Co. USA	20.61	32.66	-	-	
		WABCO Korea Ltd, Korea	605.02	186.00	-	-	
		WABCO Middle East and Africa FZCO, Dubai	594.94	865.34	-	-	
		WABCO USA LLC, USA	27.78	18.24	-	-	
		ZF (Shanghai) Management Co, Ltd	123.03	36.69	-	-	
		ZF Automotive Brasil LTDA, Brazil	1,521.71	1,850.88	-	-	
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	675.88	1,007.06	-	-	
		ZF CV Logistics Germany GmbH, Germany	9.70	-	-	-	
		ZF CV Solutions Japan, Inc., Japan	2,307.46	2,188.81	-	-	
		ZF CV Systems Europe BV, Belgium	746.33	529.70	-	-	
		ZF CV Systems Global GmbH, Switzerland	78,096.46	87,619.98	-	-	
		ZF CV Systems Hannover GmbH, Germany	3.80	-	-	-	
		ZF CV Systems North America LLC, USA	18.79	30.21	-	-	
		ZF CV Systems Poland Sp. z o.o., Poland	12.36	0.02	-	-	
		ZF CVS Turkey Fren Sistemleri	114.05	35.24	-	-	
		ZF India Private Limited	8.27	5.16	-	-	
4	Rendering of Services	Pinnacle Mobility Solutions Private Limited	271.36	-	-	-	
		WABCO Radbremsen GmbH, Germany	0.62	0.16	-	-	
		Business Support Services	ZF CV Systems Global GmbH, Switzerland	7,416.11	6,385.24	-	-
		Business Support Services	ZF Digital Solutions India Private Limited	149.55	132.61	-	-
		Business Support Services	ZF India Private Limited	89.45	49.74	-	-
		Research and development services	ZF CV Systems Global GmbH, Switzerland	5,960.10	4,816.58	-	-
		Software services	ZF CV Systems Global GmbH, Switzerland	32,387.31	28,610.79	-	-
		Other services	ZF CV Solutions (Thailand) Limited	-	8.30	-	-
		Other services	ZF CV Solutions Japan, Inc., Japan	15.54	-	-	-
		Other services	ZF CV Systems Europe BV, Belgium	299.94	-	-	-
		Other services	ZF India Private Limited	7.08	-	-	-
		Other services	ZF Rane Automotive India Private Limited	0.67	-	-	-
		Other services	Pinnacle Mobility Solutions Private Limited	13.46	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(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, 2026	March 31, 2025	March 31, 2026	March 31, 2025
5	Other income					
	Rent	ZF Light Vehicle Systems India Private Limited	15.26	13.39	-	-
	Rent	ZF Commercial Vehicle Solutions India Private Limited	3.00	5.24	-	-
6.a	Receivables / (Advances received)	Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	119.72	7.01	-	-
		ZF CV Solutions (Thailand) Limited	21.37	29.41	-	-
		WABCO Asia Private Limited, Singapore	28.16	14.22	-	-
		WABCO Compressor Manufacturing Co. USA	14.62	20.89	-	-
		WABCO Holdings Inc., USA	-	24.92	-	-
		WABCO Korea Ltd, Korea	141.13	82.67	-	-
		WABCO Middle East and Africa FZCO, Dubai	95.47	155.78	-	-
		WABCO USA LLC, USA	49.80	265.32	-	-
		ZF (Shanghai) Management Co, Ltd	122.18	82.00	-	-
		ZF Automotive Brasil LTDA, Brazil	312.28	236.39	-	-
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	518.16	826.85	-	-
		ZF CV Solutions Japan, Inc., Japan	379.71	347.02	-	-
		ZF CV Systems Europe BV, Belgium	257.21	229.67	-	-
		ZF CV Systems Global GmbH, Switzerland	19,163.91	43,687.05	-	-
		ZF CV Systems Hannover GmbH, Germany	3.80	-	-	-
		ZF CV Systems North America LLC, USA	23.36	70.71	-	-
		ZF CV Systems Poland Sp. z o.o., Poland	12.06	2.32	-	-
		ZF CVS Turkey Fren Sistemleri	79.09	20.44	-	-
		ZF Digital Solutions India Private Limited	8.67	12.66	-	-
		ZF Light Vehicle Systems India Private Limited	15.13	5.11	-	-
		ZF Commercial Vehicle Solutions India Private Limited	1.18	3.21	-	-
		ZF CV Logistics Germany GmbH	9.70	-	-	-
		Wabco IP Holdings LLC	29.73	-	-	-
		WABCO Radbremmen GmbH	0.38	-	-	-
		Pinnacle Mobility Solutions Private Limited	199.61	-	-	-
		ZF India Private Limited	-	69.90	-	-
6.b	Other Receivables	WABCO Korea Ltd.	57.84	-	-	-
7	Payables / (Advances paid)	ZF CV Solutions (Thailand) Limited	-	1.04	-	-
		WABCO Compressor Manufacturing Co. USA	2.32	51.88	-	-
		WABCO IP Holdings LLC, USA	52.07	103.17	-	-
		WABCO Korea Ltd, Korea	0.77	-	-	-
		WABCO Radbremmen GmbH, Germany	-	(0.17)	-	-
		ZF CV Systems Poland Sp. z o.o., Poland	-	(12.91)	-	-
		ZF (Shanghai) Management Co, Ltd	0.48	90.16	-	-
		ZF Commercial Vehicle Systems (Jinan) Co., Ltd., China	-	11.86	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(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, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		ZF Commercial Vehicle Systems (Qingdao) Co., Ltd., China	3,004.52	981.88	-	-
		ZF CV Distribution Germany GmbH & Co. KG, Germany	-	106.33	-	-
		ZF CV Systems Europe BV, Belgium	2,690.64	827.92	-	-
		ZF CV Systems Global GmbH, Switzerland	2,207.18	1,411.72	-	-
		ZF CV Systems North America LLC, USA	-	2.94	-	-
		ZF Active Safety and Electronics US LLC, USA	-	4.42	-	-
		ZF Autocruise France SAS	-	1.61	-	-
		ZF Automotive Brasil LTDA, Brazil	39.69	68.53	-	-
		ZF Automotive Systems (Shanghai) Co Ltd., China	1.65	0.48	-	-
		ZF CV Distribution UK Ltd.	-	12.43	-	-
		ZF Friedrichshafen AG	5,752.75	3,174.35	-	-
		ZF India Private Limited	263.93	218.76	-	-
		ZF Light Vehicle Systems India Private Limited	48.92	192.42	-	-
		ZF Commercial Vehicle Technology (Jiaxing) Co., Ltd.	-	2.22	-	-
		ZF CVS Turkey Fren Sistemleri Sanayi Ticaret Ltd.	3.65	-	-	-
		ZF Digital Solutions International B.V.	22.83	-	-	-
		ZF Drivotech (Jiaxing) Co., Ltd	1.30	6.74	-	-
8	Remuneration to Key managerial personnel (including commission to independent directors)	Salaries and Allowances	-	-	401.04	373.60
		Contribution to provident and other funds	-	-	208.86	27.83
		Incentive	-	-	176.69	183.22
		Commission and sitting fees	-	-	130.16	120.20
9	Reimbursement of expenses paid / (received)	WABCO Holdings Inc., USA	(29.73)	(25.38)	-	-
		WABCO USA LLC, USA	(70.79)	-	-	-
		ZF Digital Solutions India Private Limited	(2.94)	-	-	-
		ZF Wind Power Coimbatore Private Limited	10.14	-	-	-
		WABCO Korea Ltd, Korea	143.87	-	-	-
		ZF India Private Limited	19.64	-	-	-
		ZF CV Solutions (Thailand) Limited	(9.37)	(8.30)	-	-

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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 Holding company, 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, 2026	India	Others	Total
Sale of Products	2,56,331.58	1,02,348.14	3,58,679.72
Sale/rendering of services	4,351.23	46,058.96	50,410.19
Others	2,804.34	-	2,804.34
Revenue from operations	2,63,487.15	1,48,407.10	4,11,894.25
Non-current assets *	86,464.03	-	86,464.03

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

* Non-current assets for this purpose consists of property, plant and equipment, right of use assets, intangible assets, capital work in progress, investment property, other non current assets and non current other financial assets.

Information about major customer

Revenue from major customers contributing more than 10% of revenue from operations amounted to INR 208,608.58 lakhs (March 31, 2025: INR 198,111.08 lakhs).

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, 2026

Particulars	Fair Value Measurement using			
	Total	Level 1	Level 2	Level 3
Asset measured at fair value:				
FVTPL financial investments:				
Unquoted Mutual Funds	60,347.99	60,347.99	-	-

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	-	-

There have been no transfers between Level 1 and Level 2 during the year.

All other financial liabilities & assets are carried at amortized cost and their carrying value approximates fair value.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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 USD 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.

	March 31, 2026		March 31, 2025	
	5% increase	5% decrease	5% increase	5% decrease
Impact of change in USD rates				
Trade receivables	95.75	(95.75)	113.37	(113.37)
Payables	78.66	(78.66)	48.88	(48.88)
Cash and cash equivalents	7.58	(7.58)	14.31	(14.31)
Impact of change in EURO rates				
Trade receivables	1,134.34	(1,134.34)	2,220.25	(2,220.25)
Payables	486.98	(486.98)	225.06	(225.06)
Cash and cash equivalents	547.91	(547.91)	267.30	(267.30)

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 3,19,161.00 lakhs as at March 31, 2026 and INR 263,624.45 lakhs as at March 31, 2025, being the total of the carrying amount of balances with banks, deposits with banks, trade receivables and other financial assets. As at March 31, 2026, 78% of the total dues was receivable from top 10 customers (as at March 31, 2025 - 80%). These receivables are from

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

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.

As at March 31, 2026

	Contractual cashflows					Total
	Carrying amount	Less than 1 year	1 to 2 Years	2 to 5 Years	> 5 years	
Trade payables	46,221.33	46,221.33	-	-	-	46,221.33
Lease liabilities	5,482.30	1,090.57	1,101.26	3,466.06	1,237.76	6,895.65
Other financial liabilities	4,945.90	4,945.90	-	-	-	4,945.90
	56,649.53	52,257.80	1,101.26	3,466.06	1,237.76	58,062.88

As at March 31, 2025

	Contractual cashflows					Total
	Carrying amount	Less than 1 year	1 to 2 Years	2 to 5 Years	> 5 years	
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

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, 2026	March 31, 2025
Trade payables	46,221.33	35,121.25
Other payables	27,270.60	21,943.62
Less: Cash and cash equivalents and current investments	(79,520.66)	(15,815.85)
Net debt	(6,028.73)	41,249.02
Shareholders Equity	3,69,058.05	3,21,454.04
Gearing ratio	(0.02)	0.13

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

40 Other Statutory Information

- i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- iii) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.
- iv) 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:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- v) 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:
 - (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 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).
- vii) The Group has no transactions with struck off companies during the year.
- viii) The Group has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- ix) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- x) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year
- xi) The Group has not taken borrowings from banks and financial institutions on the basis of security of current assets.

40A The Company is in the process of identifying and appointing a whole time company secretary as required under section 203 respectively of the Companies Act, 2013.

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, 2026

(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, 2026	99.61%	3,67,637.10	97.98%	50,667.55	100.00%	(506.92)	97.95%	50,160.63
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
Subsidiary company								
ZF CV Control Systems Manufacturing India Private Limited								
Balance as at March 31, 2026	0.41%	1,529.35	2.04%	1,052.63	0.00%	-	2.06%	1,052.63
Balance as at March 31, 2025	0.15%	476.72	0.45%	208.19	0.00%	-	0.46%	208.19
Less: Effect of intercompany eliminations / adjustments								
Balance as at March 31, 2026	(0.02%)	(108.40)	(0.02%)	(5.41)	0.00%	-	(0.01%)	(5.41)
Balance as at March 31, 2025	(0.03%)	(102.99)	0.00%	(1.01)	0.00%	-	0.00%	(1.01)
Total								
Balance as at March 31, 2026	100.00%	3,69,058.05	100.00%	51,714.77	100.00%	(506.92)	100.00%	51,207.85
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

42 Events after the reporting period

There are no material non-adjusting events after the reporting date till the date of issue of these financial statements (i.e 13 May 2026) which requires disclosure in this financial statements. Refer note 11.1 for details of proposed final dividend for the financial year 2025-26 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
 CIN : L34103TN2004PLC054667

Akash Passey
 Chairman and Director
 DIN: 01198068

Sweta Agarwal
 Chief Financial Officer

Place: Lucknow
 Date: 13 May 2026

Paramjit Singh Chadha
 Managing Director
 DIN: 06972549

As per our report of even date
For B S R & Co. LLP
 Chartered Accountants
 Firm's Registration no. 101248W/W-100022

Priyesh Singhal
 Partner
 Membership no.: 138299
 Place: Chennai
 Date: 13 May 2026

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GLOSSARY OF ABBREVIATIONS

Abbreviation	Full Form
ABS	Antilock Braking System
ACC	Adaptive Cruise Control
ACE	Autonomous, Connected and Electric
ACMA	Automotive Component Manufacturers Association of India
ADAS	Advanced Driver Assistance System
AEBS	Advance Emergency Braking System
AHU	Air Handling Unit
AMT	Automated Manual Transmission
ARAI	Automotive Research Association of India
ASP	Aerosol System Protector
ATC	Automatic Traction Control
BAJA SAE	BAJA Society of Automotive Engineers
BCM	Business Continuity Management
BRSR	Business Responsibility and Sustainability Report
BIS	Bureau of Indian Standards
BSE	Bombay Stock Exchange
BVPS	Book Value Per Share
CAPEX	Capital Expenditure
CFO	Chief Financial Officer
CH ₄	Methane
CII	Confederation of Indian Industry
CIP	Continuous Improvement Process
CMS	Collision Mitigation System
CO ₂	Carbon Dioxide
COP	Coefficient of Performance
CSR	Corporate Social Responsibility
CVS	Commercial Vehicle Solution
DDSBA	Double Diaphragm Spring Brake Actuator
DDU	Drying & Distribution Unit
DOJO	Dedicated On-the-Job Training Area
DMP	Digital Manufacturing Platform
DPIA	Data Privacy Impact Assessment
DPA	Data Privacy Agreement
DPS	Dividend Per Share
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EBA	Exhaust Brake Assembly
EBS	Electronic Braking System
EC	Electronically Communicated
EHS	Environment, Health and Safety
ERP	Enterprise Resource Planning
EPR	Extended Producer Responsibility
EPS	Earnings Per Share

Abbreviation	Full Form
ESC	Electronic Stability Control
ESG	Environment, Social, Governance
ETP	Effluent Treatment Plant
EV	Electric Vehicle
E-Waste	Electronic Waste
FCPA	Foreign Corrupt Practices Act
FCP	Failure Cost of Production
FIIC	Finance, IT, and Internal Control(s)
FY	Financial Year
GCSA	GIAC Cloud Security Automation
GEC	Global Engineering Centre
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
HiSA	Hill Start Aid
HDC	Hardware Development Center
HFCs	Hydrofluorocarbons
HR	Human Resources
HVAC	Heating, Ventilation, and Air Conditioning
IATF	International Automotive Task Force
IBSe	Integrated Business Solutions
ICE	Internal Combustion Engine
IIT	Indian Institute of Technology
IMTMA	Indian Machine Tool Manufacturers' Association
INR	Indian Rupee
IIRC	International Integrated Reporting Council
ISAE	International Standard on Assurance Engagements
ISO	International Organization for Standardization
INVEST	Indian Value Engineering Society
IT	Information Technology
ITR	Inventory Turn Ratio
JIT	Just In Time
KG	Kilograms
KL	Kilolitre
KMP	Key Management Personnel
KPI	Key Performance Indicators
LCA	Life Cycle Assessment
LDWS	Lane Departure Warning System
LOTO	Lock Out/Tag Out
LPG	Liquefied Petroleum Gas
LTAR	Lost Time Accident Rate
LTIFR	Lost Time Injury Frequency Rate
MD	Managing Director
MJ	Megajoule
MOIS	Manufacturing Operations Information System
MSME	Micro, Small and Medium Enterprises
MT	Metric Tonne
MW	Megawatts
MWh	Megawatt hour
NAPS	National Apprenticeship Promotion Scheme
NF ₃	Nitrogen Trifluoride

Abbreviation	Full Form
NGRBC	National Guidelines on Responsible Business Conduct
NIQR	Non Identified Quality Rejection
NOx	Nitric Oxide
N ₂ O	Nitrous Oxide
OEE	Overall Equipment Effectiveness
OEM	Original Equipment Manufacturer
OHSAS	Occupational Health and Safety Assessment Specification
OMA	Overall Maturity Assessment
OPR	Optimized Power Reduction
OPV	Operational Performance Variance
ORCA	Operational Risk & Control Assessment
OWC	Organic Waste Converter
PAT	Profit After Tax
PBT	Profit Before Tax
PFCs	Perfluorocarbons
PLC	Programmable Logic Controller
PM	Particulate Matter
PPA	Power Purchase Agreements
PPP	Personal Productivity Production
POSH	Prevention of Sexual Harassment
QCD	Quality, Cost, Delivery
QCFI	Quality Circle Forum of India
QRQC	Quick Response Quality Control
R&D	Research & Development
ROCE	Return On Capital Employed
RPAS	Reverse Park Assist system
RTO	Regional Transport Office
SAVE	Sustainability Awareness Value Enhancement
SDG	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
SF ₆	Sulfur Hexafluoride
SFM	Shop floor Management
SHE FMEA	Safety Health Environment Failure Mode and Effect Analysis
SIDCO	Small Industries Development Corporation
SKU	Stock Keeping Unit
SOx	Sulphur Oxide
SPC	Statistical Process Control
SPOCs	Single Point of Contact
TaaS	Transportation as a Solution
TCO _{2e}	Metric Tonnes of Carbon Dioxide equivalent
TDS	Total Dissolved Solids
TISAX	Trusted Information Security Assessment Exchange
TPM	Total Productive Maintenance
VFD	Variable Frequency Drive
VIT	Vellore Institute of Technology
VSA	Value Stream Analysis
WABCO	Westinghouse Air Brake Company
ZF CVCS	ZF Commercial Vehicle Control Systems
ZF PS	ZF Production System
ZLD	Zero Liquid Discharge

ZF Commercial Vehicle Control Systems 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