



ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED

CIN: U35999TN1987PTC014600

Registered Office: "Maithri", 132, Cathedral Road, Chennai - 600 086, Tamil Nadu, India

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NOTICE CONVENING A MEETING OF THE UNSECURED CREDITORS OF ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED PURSUANT TO THE ORDER DATED MAY 02, 2025 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH – I, CHENNAI

MEETING	
Day	Sunday
Date	June 15, 2025
Time	10:00 a.m. (IST)
Mode of meeting	Video Conference / Other Audio Visual Means

REMOTE E-VOTING	
Commencing on	June 12, 2025 (Thursday) at 09:00 A.M. (IST)
Ending on	June 14, 2025 (Saturday) at 05:00 P.M. (IST)

E-VOTING DURING THE MEETING

E-Voting during the meeting would be available for those Unsecured Creditors who had not earlier voted through remote e-voting and this facility would be available for an additional 30 minutes post conclusion of the discussion at the aforesaid Meeting.

Sr. No.	CONTENTS	Page Nos.
1.	Notice of Meeting of Unsecured Creditors of ZF Rane Automotive India Private Limited (" Notice ")	iii-ix
2.	Statement under Section Sections 230 and 232 read with Section 102 and read with other applicable provisions of the Companies Act, 2013 (" Act ") and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (" CAA Rules ")	x-xxiii
ANNEXURES		
3.	Annexure – I Scheme of Demerger between ZF Rane Automotive India Private Limited (" Demerged Company ") and ZF Lifetec Rane Automotive India Private Limited (" Resulting Company ") and their respective shareholders (" Scheme ")	1-25
4.	Annexure – II Copy of the unaudited financial statements of the Demerged Company as of December 31, 2024	26-43
5.	Annexure – III Copy of the unaudited financial statements of the Resulting Company as of December 31, 2024	44-50
6.	Annexure – IV Report of the Board of Directors of the Demerged Company, pursuant to Section 232(2)(c) of the Act	51-54

Sr. No.	CONTENTS	Page Nos.
7.	Annexure – V Report of the Board of Directors of the Resulting Company, pursuant to Section 232(2)(c) of the Act	55-58
8.	Annexure – VI Share Entitlement Ratio Report dated December 19, 2024 issued by M/s. PWC Business Consulting Services LLP (Registration No. IBBI/RV-E/02/2022/158), Registered Valuer (“ Share Exchange Ratio Report ”)	59-65
9.	Annexure – VII Accounting Treatment Certificate issued by Statutory Auditor of the Demerged Company under Section 133 of the Act	66-68
10.	Annexure – VIII Accounting Treatment Certificate issued by Statutory Auditor of the Resulting Company under Section 133 of the Act	69-71
11.	Annexure – IX Order of Hon’ble National Company Tribunal, Division Bench-I, Chennai dated May 02, 2025 in the matter of CA(CAA)/23(CHE)/2025	72-85

The Notice of the meeting and the statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules constitutes a single and complete set of documents and should be read together as they form an integral part of this document.

FORM NO. CAA. 2

[Pursuant to Section 230 (3) of the Companies Act, 2013 and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH-I, CHENNAI**

CA(CAA)/23/(CHE)/2025

IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

AND

IN THE MATTER OF THE SCHEME OF DEMERGER BETWEEN ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED AND ZF LIFETEC RANE AUTOMOTIVE INDIA PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME")

ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED, a company incorporated under the provisions of the Companies Act, 1956, having Corporate Identity Number U35999TN1987PTC014600 and its registered office at "Maithri", 132, Cathedral Road, Chennai - 600 086, Tamil Nadu, India	... Applicant Company 1 / Demerged Company
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NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED

To,

The Unsecured Creditors of ZF Rane Automotive India Private Limited

- 1. NOTICE** is hereby given that, in accordance with the Order dated May 02, 2025, in the above captioned Company Scheme Application, passed by the Hon'ble National Company Law Tribunal, Division Bench – I, Chennai ("**Tribunal**") ("**Tribunal Order**"), a meeting of the Unsecured Creditors of the Company ("**Unsecured Creditors**"), will be held for the purpose of their considering, and if thought fit, approving, with or without modification, the proposed Scheme of Demerger between ZF Rane Automotive India Private Limited ("**Demerged Company**" or "**Company**") and ZF Lifetec Rane Automotive India Private Limited ("**Resulting Company**") and their respective shareholders ("**Scheme**") on Sunday, 15th day of June, 2025, at 10:00 a.m. (IST) ("**Meeting**").
- Pursuant to the said Tribunal Order and as directed therein, the Meeting of the Unsecured Creditors of the Company ("**Meeting**") will be held at through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') on Sunday, 15th day of June, 2025, at 10:00 a.m. and the said Unsecured Creditors of the Company are requested to attend to consider, and if thought fit, to pass, with or without modification(s), the following resolution for approval of the Scheme by requisite majority as prescribed under Section 230(1) and (6) read with Section 232(1) of the Companies Act, 2013, as amended:

“RESOLVED THAT pursuant to the provisions of Sections 230 read with 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013, circulars, and notifications made thereunder (including any statutory modification or re-enactment thereof, for the time being in force), and the enabling provisions of the Memorandum of Association and Articles of Association of the (“**Company**”) and subject to the approval of Hon’ble National Company Law Tribunal, Division Bench-I, Chennai (“**Tribunal**”) and subject to requisite approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the parties to the Scheme, at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the Hon’ble Tribunal or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorized by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Demerger between ZF Rane Automotive India Private Limited (“**Demerged Company**”) and ZF Lifetec Rane Automotive India Private Limited (“**Resulting Company**”) and their respective shareholders (“**Scheme**”), be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the arrangement embodied in the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon’ble Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.

RESOLVED FURTHER THAT the Board may delegate all or any of its powers herein conferred to any Director(s) and/or officer(s) of the Company, to give effect to this Resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable, without any further approval from unsecured creditors of the Company”.

3. The quorum for the Meeting shall be 134 (One Hundred Thirty-Four) unsecured creditors. In case the quorum is not present at the designated time, the Meeting shall be adjourned by half an hour and thereafter, the persons present for voting shall be deemed to constitute the quorum.
4. An unsecured creditor, whose name appears in the list of unsecured creditors available with the Company as on the cut-off date, i.e., Friday, 02nd Day of May, 2025 (“**Cut-Off Date**”) only shall be entitled to exercise his / her / its voting rights on the resolution proposed in the Notice and attend the Meeting. **A person who is not an unsecured creditor as on the cut-off date, should treat the Notice for information purpose only.**
5. The value and number of unsecured creditors shall be in accordance with the books / records maintained by the Company. Voting rights of an unsecured creditor shall be in proportion to the outstanding amount due by the Company as on the cut-off date.

6. A copy of the Scheme, explanatory statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“**CAA Rules**”) along with all annexures to such statement are enclosed herewith. A copy of this Notice and the accompanying documents can also be accessed at web-link: https://ranegroup.com/wp-content/uploads/2025/05/ZRAI_UnsecuredCrs_Notice.pdf.
7. The Tribunal has appointed Ms. Sucharitha R to be the Chairperson for the said Meeting of the Unsecured Creditors, including for any adjournment or adjournments thereof and Mr. Sriram Ananth V to be the Scrutinizer for the Meeting.
8. The Scheme, if approved in the aforesaid Meeting, will be subject to the subsequent sanction of the Tribunal and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

For **ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED**

Sucharitha R

Chairperson appointed by the Tribunal for the Meeting

Chennai, May 12, 2025

Registered Office:

ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED

“Maithri”, 132, Cathedral Road,
Chennai - 600 086,
Tamil Nadu, India

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NOTES FOR MEETING OF UNSECURED CREDITORS OF THE DEMERGED COMPANY

1. Pursuant to the directions of the Hon’ble National Company Law Tribunal, Division Bench-I, Chennai (“**Tribunal**”) vide its order dated May 02, 2025 (“**Tribunal Order**”), the Meeting of the unsecured creditors of the Demerged Company shall be convened and held through Video Conferencing (VC) / Other Audio-Visual Means (**OAVM**) on Sunday, 15th day of June, 2025, at 10:00 a.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme.
2. Only unsecured creditors to whom any amount is due and payable as on Friday, May 02, 2025 by the Company may attend and shall be entitled to avail the facility of remote e-voting / voting at the meeting. The authorized representative of a Government / Institution(s) / Body Corporate / Companies which is an unsecured creditor of the Company may attend this meeting through VC / OAVM and cast their votes through e-voting by providing a certified true copy of the resolution of the Board of Directors under Section 112 and 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative participate and e-vote at the meeting. Such Unsecured Creditors are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by e-mail at sriramananth.v@gmail.com (or) the Company by e-mail at investorservices@ranegroup.com.

3. The Unsecured Creditors who have cast their vote by remote e-voting prior to the meeting may also attend the meeting by way of VC/OAVM but shall not be entitled to cast their vote again. The details indicating the process and manner for voting by electronic means, the time, schedule including the time period during which the votes may be cast by remote e-voting, the details of the login ID, the process and manner for generating or receiving the password and for casting of vote in a secure manner are provided to the unsecured creditors. The procedures and instructions for 'remote e-voting', 'attending the meeting through VC / OAVM' and 'e-voting at the meeting' are furnished as part of this Notice.
4. Pursuant to the provisions of Section 108, 230(4) of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (as amended), the Company is providing facility of remote e-voting to its Unsecured Creditors in respect of the business to be transacted at the meeting. The Chairperson of the meeting shall, at the meeting, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of the Scrutinizer, for all those Unsecured Creditors who are present at the meeting and have not cast their votes by availing the remote e-voting facility. In this regard, the Company has an existing agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the meeting will be provided by CDSL.
5. The e-voting facility with CDSL will be available at the link www.evotingindia.com. The remote e-voting period would commence on **Thursday, June 12, 2025 at 09:00 A.M. (IST)** and conclude on **Saturday, June 14, 2025 at 05:00 P.M. (IST)**. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the unsecured creditor, the unsecured creditor cannot change it subsequently.
6. The quorum of the meeting of the unsecured creditors of the Company shall be 134 (One-Hundred Thirty Four) unsecured creditors of the Company, attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Accordingly, in compliance with the provisions of the Companies Act, 2013 ("**Act**"), relevant Circulars and as per the direction of the Hon'ble NCLT vide order dated May 02, 2025 passed in CA(CAA)/23/(CHE)/2025, this meeting is being held through VC / OAVM. Physical attendance of unsecured creditors has been dispensed with. Accordingly, the facility for appointment of proxies as directed in the NCLT Order will not be applicable for this meeting and hence the Proxy Form, Attendance Slip and route map being not applicable, are not annexed to this Notice.
8. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the unsecured creditors at the registered office of the Company between 10.30 a.m. and 12.30 p.m. up to 1 (One) day prior to the date of meeting on all working days other than Saturdays up to the date of the meeting.
9. The Notice of the meeting and the accompanying documents mentioned in the Contents are being sent through electronic mode to all Unsecured creditors (**as on February 17, 2025**) to the e-mail addresses that are registered with the Company as permitted by the Order of the NCLT. The physical copies of Notice of the meeting is being sent through permitted mode for those Unsecured Creditors whose e-mail addresses are not registered with the Company. The

Unsecured Creditors may note that the notice is also available on the web-link: https://ranegroup.com/wp-content/uploads/2025/05/ZRAI_UnsecuredCrs_Notice.pdf.

10. The Notice convening the meeting will be published through advertisement in the following newspapers, namely, (i) "Business Standard" in the English language; and (ii) "Dina Malar" in vernacular language having circulation in Tamil Nadu.
11. Mr. Sriram Ananth V has been appointed by the Tribunal as the Scrutinizer for conducting the remote e-voting process and voting at the meeting, in a fair and transparent manner to conduct meeting in a fair and transparent manner.
12. As per the directions of the Hon'ble NCLT, the Scrutinizer shall submit the Scrutinizer's Report of the total votes cast in favour of or against, if any, to the Chairperson who shall declare the results of remote e-voting and e-voting during the meeting within a period of 3 days from the conclusion of the meeting. i.e. on or before Wednesday, June 18, 2025. The Results declared along with the Report of the Scrutinizer shall be displayed on the website of CDSL at www.evotingindia.com.
13. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

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INSTRUCTIONS FOR REMOTE E-VOTING & JOINING MEETING THROUGH VC / OAVM

A. The instructions to unsecured creditors for remote e-voting are as under:

- (i) The voting period begins on **Thursday, June 12, 2025 (09:00 hrs IST)** and ends on **Saturday, June 14, 2025 (17:00 hrs IST)**. During this period the unsecured creditors, as on the cut-off date of **Friday, May 02, 2025** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Pursuant to Section 230(4) read with Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, Rule 20 of the Companies (Management and Administration) Rules, 2014, entities are required to provide remote e-voting facility.

Access through CDSL e-Voting system in case of unsecured creditors

Login method for e-Voting for unsecured creditors through CDSL is given below:

Type of creditors	Login Method
Unsecured Creditors logging in through CDSL e-Voting system	<ol style="list-style-type: none">1) Unsecured Creditors should log on to the e-voting website www.evotingindia.com during the voting period.2) Click on 'Shareholders / Members' module.3) Enter your User ID which is sent to you along with this notice.4) Next, enter the Image Verification as displayed and click on 'Login'5) Enter your Password which is sent to you along with this notice.6) After entering these details appropriately, click on "SUBMIT" tab.7) Click on the EVSN for the relevant Company on which you choose to vote.8) On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same, the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and the option NO implies that you dissent to the Resolution.9) Click on the 'RESOLUTION FILE LINK' if you wish to view the entire Resolution details.10) After selecting the resolution that you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.11) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.12) You can also take a printout of the votes cast by clicking on 'CLICK HERE TO PRINT' option on the Voting page.13) There is also an optional provision to upload BR/POA if any, which will be made available to scrutinizer for verification.

Important note: Unsecured Creditors who are unable to retrieve User ID / Password are advised to send a request at helpdesk.evoting@cdslindia.com.

Helpdesk for unsecured creditors for any technical issues related to login through CDSL e-Voting System

Login type	Helpdesk details
Unsecured Creditors logging in through CDSL e-Voting system	Unsecured Creditors 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. Instructions for unsecured creditors of the Company attending the meeting through VC/OAVM & e-Voting during the meeting are as under

- (i) The procedure for attending meeting & e-Voting on the day of the meeting is same as the instructions mentioned above for e-voting.
- (ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- (iii) Facility to join the Meeting shall be opened thirty minutes before the scheduled time of the Meeting.
- (iv) Unsecured creditors who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the meeting.
- (v) Unsecured creditors are encouraged to join the Meeting through Laptops / IPads for better experience.
- (vi) Further, unsecured creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vii) 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.
- (viii) The participants who do not wish to speak during the meeting but have queries may too send their queries in advance in the above manner. The Company would endeavour to address these queries suitably.
- (ix) Those unsecured creditors, who are present in the meeting through VC/OAVM facility and have not casted 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 available during the meeting.
- (x) If any Votes are cast by the unsecured creditors through the e-voting available during the meeting and if the same unsecured creditors have not participated in the meeting through VC/OAVM facility, then the votes cast by such unsecured creditors shall be considered invalid as the facility of e-voting during the meeting is available only to the unsecured creditors attending the meeting.
- (xi) If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.
- (xii) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH-I, CHENNAI

CA(CAA)/23/(CHE)/2025

IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

AND

IN THE MATTER OF THE SCHEME OF DEMERGER BETWEEN ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED AND ZF LIFETEC RANE AUTOMOTIVE INDIA PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS (“SCHEME”)

ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED, a company incorporated under the provisions of the Companies Act, 1956, having corporate identity number U35999TN1987PTC014600 and its registered office at “Maithri”, 132, Cathedral Road, Chennai - 600 086, Tamil Nadu, India	... Applicant Company 1 / Demerged Company
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EXPLANATORY STATEMENT UNDER SECTIONS 230 - 232 READ WITH SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 (“ACT”) AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 (“CAA RULES”) TO THE NOTICE OF THE MEETING OF UNSECURED CREDITORS OF ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED CONVENED PURSUANT TO ORDER OF THE HON’BLE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH – I, CHENNAI (“TRIBUNAL”) DATED MAY 02, 2025 (“TRIBUNAL ORDER”)

1. **MEETING FOR SCHEME**

- 1.1 This is a statement accompanying the Notice convening the Meeting of the Unsecured Creditors of ZF Rane Automotive India Private Limited (“**Demerged Company**” or “**Company**”) (“**Meeting**”), for the purpose of their considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Demerger between ZF Rane Automotive India Private Limited (“**Demerged Company**”) and ZF Lifetec Rane Automotive India Private Limited (“**Resulting Company**”) and their respective shareholders (“**Scheme**”).
- 1.2 The Scheme provides for (i) demerger, transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) from the Demerged Company into the Resulting Company on a going concern basis, and discharge of consideration, in form of shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the provisions of Section 2(19AA) of the Income-Tax Act, 1961; and (ii) reduction and cancellation of the entire pre-scheme share capital of the Resulting Company. The Scheme also provides for various other matters consequent and incidental thereto.
- 1.3 The salient features of the Scheme are given in this Statement. The detailed terms of the arrangement may be referred to in the Scheme, appended as ‘**Annexure – I**’.

- 1.4 Capital terms not defined herein and used in the Notice and this Statement shall have the same meaning as ascribed to them in the Scheme.

2. DATE, TIME AND MODE OF MEETING

Pursuant to an order dated May 02, 2025, passed by the Hon'ble Tribunal in Company Application viz. CA(CAA)/23/(CHE)/2025, the Meeting of the Unsecured Creditors of the Demerged Company, is being convened through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) on Sunday, 15th day of June, 2025, at 10:00 a.m. for the purpose of their considering and, if thought fit approving by the Unsecured Creditors, with or without modification(s), the Scheme of Demerger between ZF Rane Automotive India Private Limited ("**Demerged Company**") and ZF Lifetec Rane Automotive India Private Limited ("**Resulting Company**") and their respective shareholders under Section 230 – 232 of the Companies Act, 2013 ("**Scheme**").

3. RATIONALE AND BENEFITS OF THE SCHEME

- 3.1 *The Demerged Company operates in components for transportation industry under two divisions, viz.: Steering Gear Division (SGD), which manufactures fully integrated hydraulic steering gears, hydraulic pumps, power-rack and pinion, power steering fluid and plastic reservoirs for transportation industry and Occupant Safety Division (OSD), which manufactures and supplies safety seat belts and airbags to major OEMs in India and in the overseas market and Exports cushions to various ZF locations.*
- 3.2 *As part of an overall strategy for the optimum running, growth and development of the said businesses it is considered desirable and expedient to reorganise and reconstruct by demerging its Occupant Safety Division (OSD) into the Resulting Company in the manner as provided for in this Scheme. This will result in the creation of two separate robust entities viz., the Demerged Company and the Resulting Company focussing exclusively on Steering Gear Division (SGD) and Occupant Safety Division (OSD) businesses respectively.*
- 3.3 *The proposed Scheme is expected, inter alia, to result in following benefits:*
- a) *offer opportunities to the management of the Demerged Company and Resulting Company to vigorously pursue growth and expansion opportunities for each business separately;*
 - b) *value unlocking of respective businesses with ability to achieve valuation based on respective-risk return profile and cash flows;*
 - c) *attracting specific investors and strategic partners and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth and thereby enable de-leveraging of the respective divisions in the longer-term;*
 - d) *focused management approach for pursuing the growth in the respective business' verticals and de-risk the businesses from each other.*
- 3.4 *For the reasons stated above, the Scheme will have beneficial results for both the Demerged Company and the Resulting Company and their respective stakeholders.*

4. BACKGROUND OF THE COMPANIES

4.1 Particulars of ZF Rane Automotive India Private Limited

- 4.1.1 **ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED (“Demerged Company”)** having Corporate Identity Number (CIN) U35999TN1987PTC014600, a company incorporated under the provisions of the Companies Act, 1956, under the name and style of “Rane Power Steering Limited” as a public limited company on July 03, 1987. The name of the Demerged Company was changed to “Rane TRW Steering Systems Limited” on March 13, 1997. Subsequently, the Demerged Company became a private limited company on March 12, 2015 and the name was changed to “Rane TRW Steering Systems Private Limited”. The name of the Demerged Company was further changed to its present name “ZF Rane Automotive India Private Limited” on March 04, 2022.
- 4.1.2 The registered office of the Demerged Company is situated at “Maithri”, 132, Cathedral Road, Chennai - 600 086, Tamil Nadu, India. Its permanent account number with the income tax department is AAACR3147C. The e-mail address of the Demerged Company is investorservices@ranegroup.com.
- 4.1.3 During the last five years, there has been no change in the registered office of the Demerged Company.
- 4.1.4 The Demerged Company is engaged in the business of *inter alia* manufacturing of hydraulic power steering gears, hydraulic pumps, power-rack and pinion steering gears, airbags and safety seat belt systems catering to the automotive industry at large.
- 4.1.5 The summary of the main objects of the Demerged Company, as per its Memorandum of Association, have been reproduced below for the perusal of the Unsecured Creditors:

"III. The objects for which the Company is established are:

- a) *To carry on the business of manufacturers, exporters, and dealers primarily in all types of Power Steering Gear systems for commercial vehicles and hydraulic power steering systems for passenger cars, Farm Tractors.*
- b) *To carry on the business of manufacturers, exporters and dealers in all types of Transmission Components including Steering Gears, Tie rod ends, Automotive Gears including Crown Wheel and Pinions, Gear bones, Propeller Shafts, Universal Joints and the like.*
- c) *To carry on the business of manufacturers, exporters and dealers in all types of Pumps, Reservoirs, Hoses and fittings and such other components or assemblies required for the above and other Engineering applications.*
- d) *To manufacture, sell or otherwise deal in occupant safety systems including but not to the exclusion of seat belts, airbags, airbag modules, inflators, crash sensors safety electronic systems,*

assemblies, related parts, components and any other high precision components for automotive industry.

- e) *To manufacture, sell or otherwise deal in all such materials or components as are allied and akin to the above-mentioned products.*
- f) *To carry on the business of manufacture of components/raw materials that are required for the above-mentioned products.*

4.1.6 During the last five years, following changes have been made to the main objects of the Demerged Company. The shareholders of the Demerged Company vide Extra Ordinary General Meeting dated February 01, 2022 approved the following changes:

1. **Substitution of existing paragraph no. 1 with the following:**
"To carry on the business of manufacturers, exporters, and dealers primarily in all types of Power Steering Gear systems for commercial vehicles and hydraulic power steering systems for passenger cars, Farm Tractors."
2. **Substitution of existing paragraph no. 3 with the following:**
"To carry on the business of manufacturers, exporters and dealers in all types of Pumps, Reservoirs, Hoses and fittings and such other components or assemblies required for the above and other Engineering applications."
3. **Deletion of the paragraph nos.4, 5, 6 in Clause III (A).**
4. **Insertion of the following paragraph no.4 in Clause III (A) after paragraph no.3.**
"To manufacture, sell or otherwise deal in occupant safety systems including but not to the exclusion of seat belts, airbags, airbag modules, inflators, crash sensors safety electronic systems, assemblies, related parts, components and any other high precision components for automotive industry."
5. **Renumbering of paragraphs nos. 7 & 8 in Clause III (A) as paragraph nos. 5 & 6 respectively.**

4.1.7 The Share Capital of the Demerged Company (as on the date of this Notice) is as follows:

Particulars	Amount in INR
Authorised share capital	
90,00,000 equity shares of INR 10/- each face value	9,00,00,000
TOTAL	9,00,00,000

Particulars	Amount in INR
Issued share capital	
88,04,000 equity shares of INR 10/- each face value	8,80,40,000
	8,80,40,000
Subscribed and paid-up capital	
87,38,246 equity shares of INR 10/- each face value, fully paid up	8,73,82,460
TOTAL	8,73,82,460

4.1.8 The latest annual financial statements of the Demerged Company have been audited for the financial year ended on March 31, 2024. The unaudited financial statements of the Demerged Company for the period ended December 31, 2024, is appended as 'Annexure – II'.

4.1.9 The Demerged Company has not listed its shares on any Stock exchange(s).

4.1.10 The details of Promoters of the Demerged Company (as on the date of this Notice) along with their addresses are mentioned herein below:

Details of Promoters	
Name	Address
ZF Automotive JV US LLC	12025, Tech Centre Drive, Michigan, USA - 48150
Rane Holdings Limited	"Maithri", 132, Cathedral Road, Chennai - 600086

4.1.11 The details of Directors of the Demerged Company (as on the date of this Notice) along with their addresses are mentioned herein below:

Details of Directors		
Name	Designation	Address
Harish Lakshman	Chairman and Managing Director	6/17, Crescent Street, ABM Avenue, Raja Annamalaipuram, Chennai – 600 028, Tamil Nadu, India
Ganesh Lakshminarayan	Nominee Director	Lakshmi Nivas, Plot No. 14C, Boat Club Road, Raja Annamalaipuram, Chennai – 600 028, Tamil Nadu, India
Periakaruppa Nadar Kaniappan	Nominee Director	Plot No. 55, Gurusamy Road, VGN Nagar, Phase IV, Nolambur, Chennai – 600 095 Tamil Nadu, India

Details of Directors		
Name	Designation	Address
Uif Hinrich Loleit	Nominee Director	69120, Heidelberg Stadtteil Neuenhiem Monchhofstr 6 Heidelberg, Heidelberg, Baden-Wurttemberg, Germany, 69120
Michael Ebenhoch	Nominee Director	Holzhausern, 45, Tettngang, Tettngang, Baden- Wurttemberg, Germa, 88069
Theodor Bernhard Kaster	Nominee Director	Liesenfelder Str. 53 56281, Emmelshausen, Liesenfelder Strabe 53, Emmelshausen, Emmelshausen, Germany, 56281

4.2 Particulars of ZF Lifetec Rane Automotive India Private Limited

4.2.1 **ZF LIFETEC RANE AUTOMOTIVE INDIA PRIVATE LIMITED (“Resulting Company”)** having Corporate Identity Number (CIN) U29302TN2024PTC171639, was incorporated on July 04, 2024 as a private limited company under the provisions of the Act. The Resulting Company is a wholly owned subsidiary of the Demerged Company. Since incorporation, there has been no change in the name of the Company.

4.2.2 The registered office of the Resulting Company is situated at “Maithri”, 132, Cathedral Road, Chennai - 600 086, Tamil Nadu, India. Its permanent account number with the Income Tax department is AACZ4295K. The e-mail address of the Resulting Company is zlrαι.secretarial@ranegroup.com. Since incorporation, there has been no change in the registered office of the Company.

4.2.3 The summary of the main objects of the Resulting Company, as per its Memorandum of Association, have been reproduced below for the perusal of the Unsecured Creditors:

"III. The objects for which the Company is established are:

- a) *To manufacture, sell or otherwise deal primarily in occupant safety systems and equipment including but not to the exclusion of seat belts, seat webbings, airbags, airbag modules, inflators, crash sensors safety electronic systems, assemblies, steering wheels, door trims, related parts, applications components and any other high-precision components for automotive industry.*
- b) *To carry on the business of manufacturers, exporters and dealers in all types of Hoses and fittings, face masks, personal protective equipment, fabric based protective gears, covers, belts, helmets, cabin air filtration, nylon cords, parachutes, inflatable boats, air balloons and such other components or assemblies required for the safety systems, equipment*

and other engineering applications in motor vehicles, railways and all other types of automobiles and aircrafts.

- c) *To design, manufacture, sell or otherwise deal in all such materials, components / raw materials as are allied and akin to the above mentioned products.*

Since incorporation, there has been no change in the objects Clause of the Resulting Company.

4.2.4 The Resulting Company is incorporated to carry on the business of *inter alia* manufacturing, selling and otherwise dealing in occupant safety systems and equipments, and other high precision components, for the automotive industry.

4.2.5 The Share Capital of the Resulting Company (as on the date of this Notice) is as follows:

Particulars	Amount in INR
Authorised share capital	
1,00,000 equity shares of INR 10/- each face value	10,00,000
TOTAL	10,00,000
Issued, subscribed and paid-up capital	
10,000 equity shares of INR 10/- each face value, fully paid up	1,00,000
TOTAL	1,00,000

4.2.6 The unaudited financial statements of the Resulting Company for the period ended December 31, 2024, is appended as 'Annexure – III'.

4.2.7 The Resulting Company is a wholly owned subsidiary of the Demerged Company and its shares are not listed on any Stock exchange(s).

4.2.8 The details of Promoters of the Resulting Company (as on the date of this Notice) along with their addresses are mentioned herein below:

Details of Promoters	
Name	Address
ZF Rane Automotive India Private Limited	"Maithri", 132, Cathedral Road, Chennai – 600 086, India

- 4.2.9 The details of Directors of the Resulting Company (as on the date of this Notice) along with their addresses are mentioned herein below:

Details of Directors		
Name	Designation	Address
Balakrishnan Ayyappan	Nominee Director	54/9, RGL Colony Phase 1, Mugalivakkam Main Road, Mugalivakkam, Kancheepuram - 600 125, Tamil Nadu, India
Senthilnathan	Nominee Director	Crystal Manor, 14, Andavar Nagar 6 th Street, Kodambakkam, Chennai - 600 024, Tamil Nadu, India

5. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme, *inter alia*, are as stated below. The capitalised terms used herein shall have the same meaning as ascribed in the Scheme.

- 5.1 The Scheme provides for: (i) demerger, transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) from the Demerged Company into the Resulting Company on a going concern basis, and discharge of consideration, in form of shares, by the Resulting Company to the shareholders of the Demerged Company, in accordance with the provisions of Section 2(19AA) of the Income-tax Act, 1961; and (ii) reduction and cancellation of the entire pre-scheme share capital of the Resulting Company.
- 5.2 In consideration for the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company, the Resulting Company shall issue and allot, on a proportionate basis to each shareholder of the Demerged Company as per the following ratio:
- “1 (one) equity share of INR 10 (Indian Rupees Ten) each of the Resulting Company, credited as fully paid up, for every 1 (one) equity share fully paid up of INR 10 (Indian Rupees Ten) each of the Demerged Company held by such shareholder.” The equity shares of the Resulting Company to be issued pursuant to this Clause 8.1 shall be referred to as “Resulting Company New Equity Shares”.*
- 5.3 The ‘Appointed Date’ of the Scheme means the Effective Date or such other date (if any) as may be decided by the Boards of the Parties.
- 5.4 ‘Effective Date’ shall mean the opening business hours of the date on which last of the conditions specified in Clause 18 (Conditions Precedent) of this scheme are complied with.
- 5.5 The entire pre-scheme paid up share capital of the Resulting Company as on the Effective Date shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company as an integral part of the Scheme.
- 5.6 In addition to the approval of the Tribunal, the Company will obtain such

necessary approvals/ sanctions/ no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, as may be required.

Note: The above are the salient features of the Scheme. The Unsecured Creditors are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

6. RELATIONSHIP SUBSISTING BETWEEN PARTIES TO THE SCHEME

The Resulting Company is a wholly owned subsidiary of the Demerged Company.

7. BOARD APPROVALS

7.1 The Board of Directors of the Demerged Company at its meeting held on December 19, 2024, accepted and approved the Scheme, as given below:

Name of Director	Voted in favour/ against/ did not participate or vote
Harish Lakshman	Favour
Ganesh Lakshminarayan	Favour
Periakaruppa Nadar Kaniappan	Favour
Ulf Hinrich Loleit	Favour
Michael Ebenhoch	Favour
Theodor Bernhard Kaster	Favour

7.2 The Board of Directors of the Resulting Company at its Meeting held on December 19, 2024 accepted and approved the Scheme, as given below:

Name of Director	Voted in favour/ against/ did not participate or vote
Balakrishnan Ayyappan	Favour
Senthilnathan	Favour

8. INTEREST OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMPS) AND THEIR RELATIVES

8.1 **ZF Rane Automotive India Private Limited (“Demerged Company”)**
None of the Directors, KMPS of the Demerged Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of their directorship and/or shareholding in the Demerged Company, if any. Save as aforesaid, none of the said Directors or the KMPS or their respective relatives have any material interest in the Scheme.

- 8.2 **ZF Lifetec Rane Automotive India Private Limited (“Resulting Company”)**
None of the Directors, KMPs of the Resulting Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of their directorship and/or shareholding in the Resulting Company, if any. Save as aforesaid, none of the said Directors or the KMPs or their respective relatives have any material interest in the Scheme.

9. **EFFECT OF SCHEME ON STAKEHOLDERS**

The effect of the Scheme on various stakeholders is summarised below:

9.1 **Equity Shareholders (promoter and non-promoter shareholders) and KMP**

The effect of the Scheme on the Equity Shareholders and KMP of the Demerged Company and the Resulting Company, is given in the report adopted by the Board of Directors of the Demerged Company and the Resulting Company at their respective meetings held on December 19, 2024, pursuant to the provisions of Section 232(2)(c) of the Act which is annexed hereto and marked as ‘Annexure – IV and V’ respectively.

9.2 **Directors**

9.2.1 The Scheme will have no effect on the office of the existing Directors of the Demerged Company and the Resulting Company. Further, no change in the Board of Directors of the Demerged Company and the Resulting Company is envisaged on account of the Scheme. It is clarified that, the composition of the Board of Directors of the Demerged Company and the Resulting Company may change by appointments, retirements or resignations in accordance with the provisions of the Act and Memorandum and Articles of Association of the Demerged Company and the Resulting Company.

9.2.2 The effect of the Scheme on Directors of the Demerged Company and the Resulting Company in their capacity as shareholders of such companies are the same as in case of other shareholders of such company, as mentioned in the aforesaid report.

9.3 **Employees**

9.3.1 With effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees forming part of the Demerged Undertaking, on the terms and conditions not less favorable than those on which they are engaged by the Demerged Company immediately prior to the Effective Date.

9.3.2 Apart from the above, employees engaged in the Demerged Company and the Resulting Company will continue to be employees of the Demerged Company and the Resulting Company, respectively, on the same terms and conditions, as before.

9.4 **Creditors**

Except as stated in the Scheme, the creditors of the Demerged Company and the Resulting Company will continue to be creditors of the Demerged Company and the Resulting Company, respectively, on the same terms and conditions, post the Scheme becoming effective. Further, pursuant to the Scheme, creditors of the Demerged Company forming a part of the Demerged Undertaking will become creditors of the Resulting Company, on the same terms and conditions as were applicable to the Demerged Company, post the Scheme becoming effective.

9.5 **Debenture holders and Debenture Trustees**

The Demerged Company and the Resulting Company have not issued any debentures, therefore, the requirement of appointing a debenture trustee does not arise.

9.6 **Depositors and Deposit Trustees**

The Demerged Company and the Resulting Company have not taken any term deposits from depositors; therefore, no deposit trustees have been appointed.

There will be no adverse effect on account of the Scheme on the aforesaid stakeholders. The Scheme is proposed to the advantage of all concerned, including the said stakeholders.

10. **NO INVESTIGATION PROCEEDINGS**

No investigation proceedings have been instituted or are pending against the Demerged Company and the Resulting Company under Sections 210 to 229 of Chapter XIV of the Act or corresponding provisions under the Companies Act, 1956.

11. **DETAILS OF CAPITAL OR DEBT RESTRUCTURING, IF ANY**

The Scheme does not in any manner adversely or prejudicially affect the rights of any creditors of the Demerged Company and the Resulting Company or contemplate any compromise or arrangement with the creditors of the Demerged Company and the Resulting Company. Further, there is no debt restructuring envisaged in the Scheme.

12. **VALUATION REPORT**

A copy of the share entitlement ratio report dated December 19, 2024 issued by M/s. PWC Business Consulting Services LLP (Registration No. IBBI/RV-E/02/2022/158), Registered Valuer ("**Share Exchange Ratio Report**"), in connection with the Scheme is appended as '**Annexure – VI**'.

13. **AMOUNTS DUE TO UNSECURED CREDITORS**

The amounts due to unsecured creditors of the Demerged Company and the Resulting Company, as on February 17, 2025 is as follows:

Sr. No.	Particulars	Amount in INR
1.	ZF Rane Automotive India Private Limited	3,29,04,65,019
2.	ZF Lifetec Rane Automotive India Private Limited	Nil

14. SHAREHOLDING PATTERN

A. The pre and post Scheme shareholding pattern of the Parties is as follows:

i. Demerged Company

The pre and post Scheme equity shareholding pattern of the Demerged Company is as follows (based on shareholding data as on the date of this notice):

Category of shareholder	Pre		Post	
	No. of shares	% of Holding	No. of shares	% of Holding
Promoter	87,38,246	100	87,38,246	100
Public	-	-	-	-
TOTAL	87,38,246	100	87,38,246	100

ii. Resulting Company

The pre and post Scheme shareholding pattern of the Resulting Company is as follows (based on shareholding data as on the date of this notice):

Category of shareholder	Pre		Post	
	No. of shares	% of Holding	No. of shares	% of Holding
Promoter	10,000	100	87,38,246	100
Public	-	-	-	-
Total	10,000	100	87,38,246	100

15. AUDITORS CERTIFICATE ON CONFORMITY OF ACCOUNTING TREATMENT IN THE SCHEME WITH ACCOUNTING STANDARDS

The Statutory Auditors of the Demerged Company and the Resulting Company, respectively, have confirmed that the accounting treatment specified in the said Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles in India. Copies of the Accounting Treatment Certificate issued by Statutory Auditor of the Demerged Company and the Resulting Company are annexed herewith as 'Annexure – VII and VIII', respectively.

16. APPROVALS AND INTIMATIONS IN RELATION TO THE SCHEME

16.1 A copy of the Scheme is being filed by the Demerged Company and the Resulting Company with the jurisdictional Registrar of Companies.

16.2 The notice of the Meeting along with the copy of the Scheme in the prescribed form, will be served on all concerned authorities.

- 16.3 All approvals as stated in clause 18 (Conditions Precedent) of the Scheme, in order to give effect to the Scheme, will be obtained. Additionally, the Company and the Resulting Company will obtain such approvals / sanctions / no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, as may be required.

17. INSPECTION OF DOCUMENTS

In addition to the documents appended hereto, the following documents will be available for inspection and for obtaining extracts of or making copies of, by the Unsecured Creditors of the Demerged Company at "Maithri", 132, Cathedral Road, Chennai 600 086, Tamil Nadu, India during working hours between 10.30 AM (IST) to 12.30 PM (IST) on working days upto 1 (one day) prior to the date of the meeting, An advance intimation by email shall be sent to the Company at investorservices@ranegroup.com:

- 17.1 Memorandum and Articles of Association of the Demerged Company and the Resulting Company;
- 17.2 Audited financial statement of the Company for the year ended 31 March 2024;
- 17.3 Copy of the Scheme;
- 17.4 Share Entitlement Ratio Report;
- 17.5 Copy of the Board Resolutions dated December 19, 2024 of the Demerged Company and the Resulting Company; and
- 17.6 Certificate of the Statutory Auditor of the Demerged Company confirming that the accounting treatment prescribed under the Scheme is in compliance with Section 133 of the Act and other Generally Accepted Accounting Principles in India.
- 17.7 Order of Hon'ble National Company Tribunal, Division Bench-I, Chennai dated May 02, 2025 in the matter of CA(CAA)/23(CHE)/2025.
- 17.8 There are no contracts or agreements that are material to the arrangement proposed under the Scheme.

As per the directions of the Tribunal, the meeting is proposed to be held through VC / OAVM with the facility of e-voting and remote e-voting. Unsecured Creditors of Participating Company as on the cut-off date shall vote during the meeting through Remote e-voting and e-voting system during the meeting.

Under Section 230 of the Companies Act, 2013, the proposed Scheme will have to be approved by a majority in number representing three-fourths in value of the Unsecured Creditors present and voting.

Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Demerged Company, its Equity Shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Demerged Company recommend the Scheme for approval of the Unsecured Creditors.

The Directors and KMPs, as applicable, of the Demerged Company and of the Resulting Company, and their relatives do not have any concern or interest, financially or otherwise, in the Scheme except as directors and shareholders in general.

A copy of this Scheme and Statement may be obtained free of charge on any working day prior to the date of the meeting, from the registered office of the Demerged Company situated at "Maithri", 132, Cathedral Road, Chennai - 600 086, Tamil Nadu, India.

For **ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED**

Sucharitha R

Chairperson appointed by the Tribunal for the Meeting

Chennai, May 12, 2025

Registered office:

ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED

"Maithri", 132, Cathedral Road,
Chennai - 600 086, Tamil Nadu, India
Tamil Nadu, India

Telephone: +91-44-2811 2472/73

E-mail: investorservices@ranegroup.com

7

SCHEME OF ARRANGEMENT

BETWEEN

ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED

AND

ZF LIFETEC RANE AUTOMOTIVE INDIA PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS, IF

ANY, OF THE

COMPANIES ACT, 2013



SCHEME OF ARRANGEMENT

BETWEEN

ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED

AND

ZF LIFETEC RANE AUTOMOTIVE INDIA PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE
COMPANIES ACT, 2013**

(A) DESCRIPTION OF COMPANIES

1. **ZF Rane Automotive India Private Limited ("Demerged Company")**, a company incorporated under the provisions of the Companies Act, 1956, under the name and style Rane Power Steering Limited as a public limited company on July 03, 1987. The name of the Demerged Company was changed to Rane TRW Steering Systems Limited on March 13, 1997. Subsequently, the Demerged Company became a private limited company on March 12, 2015 and the name was changed to Rane TRW Steering Systems Private Limited. The name of the Demerged Company was further changed to its present name "ZF Rane Automotive India Private Limited" on March 04, 2022. The registered office is situated at "Maithri", 132, Cathedral Road, Chennai 600 086. The Corporate Identity Number of the Demerged Company is: U35999TN1987PTC014600. The Demerged Company is engaged in the business of *inter alia* manufacturing of hydraulic power steering gears, hydraulic pumps, power-rack and pinion steering gears, airbags and safety seat belt systems catering to the automotive industry at large.
2. **ZF Lifetec Rane Automotive India Private Limited ("Resulting Company")**, a company incorporated under the provisions of the Act (*as defined hereinafter*), having its registered office at "Maithri", 132, Cathedral Road, Chennai 600 086. The Corporate Identity Number of the Resulting Company is U29302TN2024PTC171639. The Resulting Company is incorporated to carry on the business of *inter alia* manufacturing, selling and otherwise dealing in occupant safety systems and equipments, and other high precision components, for the automotive industry. The Resulting Company is a wholly owned subsidiary of the Demerged Company.

(B) OVERVIEW OF THE SCHEME

1. This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 and other applicable provisions of the Act and provides for the demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company into the Resulting Company on a *going concern* basis and issue of equity shares by the Resulting Company to the shareholders of the Demerged Company, in consideration thereof, in accordance with the provisions of Section 2(19AA) of the Income Tax Act (*as defined hereinafter*), and consequent cancellation of the entire pre-scheme paid-up share capital of the Resulting Company held by the Demerged Company, as on the effective date of the Scheme.
2. This Scheme also provides for various other matters consequent and incidental thereto.

(C) RATIONALE OF THE SCHEME

1. The Demerged Company operates in components for transportation industry under two divisions, viz.: Steering Gear Division (SGD), which manufactures fully integrated hydraulic steering gears, hydraulic pumps, power-rack and pinion, power steering fluid and plastic reservoirs for transportation industry and Occupant Safety Division (OSD), which manufactures and supplies safety seat belts and airbags to major OEMs in India and in the overseas market and exports cushions to various ZF locations.



2. As part of an overall strategy for the optimum running, growth and development of the said businesses it is considered desirable and expedient to reorganise and reconstruct by demerging its Occupant Safety Division (OSD) into the Resulting Company in the manner as provided for in this Scheme. This will result in the creation of two separate robust entities viz., the Demerged Company and the Resulting Company focussing exclusively on Steering Gear Division (SGD) and Occupant Safety Division (OSD) businesses respectively.
3. The proposed Scheme is expected, *inter alia*, to result in following benefits:
 - (i) offer opportunities to the management of the Demerged Company and Resulting Company to vigorously pursue growth and expansion opportunities for each business separately;
 - (ii) value unlocking of respective businesses with ability to achieve valuation based on respective-risk return profile and cash flows;
 - (iii) attracting specific investors and strategic partners and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth and thereby enable de-leveraging of the respective divisions in the longer-term;
 - (iv) focused management approach for pursuing the growth in the respective business' verticals and de-risk the businesses from each other.

For the reasons stated above, the Scheme will have beneficial results for both the Demerged Company and the Resulting Company and their respective stakeholders.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. **PART - I** deals with the definitions, share capital of the Parties (*as defined hereinafter*), date of taking effect and implementation of this Scheme.
2. **PART - II** deals with: (i) demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a *going concern* basis and issue of equity shares by the Resulting Company to the shareholders of the Demerged Company, in consideration thereof; and (ii) cancellation of the entire pre-scheme share capital of the Resulting Company.
3. **PART - III** deals with the general terms and conditions applicable to this Scheme.

PART - I

DEFINITIONS, SHARE CAPITAL OF THE PARTIES AND DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

1. DEFINITIONS

- 1.1 In this Scheme: (a) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (b) the following expressions shall have the meanings ascribed hereunder:

"Act" means the Companies Act, 2013 wherever applicable and rules and regulations made thereunder and shall include any statutory modification(s), re-enactment(s) or amendment(s) thereof;

"Applicable Law(s)" or "Law(s)" means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), and including any statutory modification or re-enactment thereof for the time being in force, codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal; (b) Permits (*as defined hereinafter*); and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority (*as defined hereinafter*) having jurisdiction over the Parties as may be in force from time to time;



"Appointed Date" means the Effective Date or such other date (if any) as may be decided by the Boards of the Parties;

"Appropriate Authority" means:

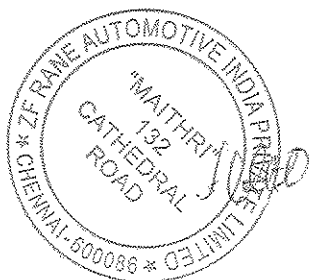
- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunals, central bank, commission or other authority thereof including, but not limited to Regional Director, RoC, National Company Law Tribunal and Reserve Bank of India; and
- (b) any governmental, quasi-governmental or private body, self-regulatory organisation, or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, the Tribunal.

"Board" of "Board of directors" in relation to the Party, means the Board of directors of such Party, and shall include a committee of directors or any person authorized by such Board of directors or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

"Demerged Company" means ZF Rane Automotive India Private Limited, a company incorporated under Companies Act, 1956, having its Corporate Identity Number U35999TN1987PTC014600 and registered office at "Maithri", 132, Cathedral Road, Chennai – 600 086, Tamil Nadu, India;

"Demerged Undertaking" means the entire activities, business, operations and undertakings of the Demerged Company pertaining to the Occupant Safety Division (OSD) as of the Appointed Date, on a going concern basis and shall include (without limitation):

- (a) all assets and properties, whether movable or immovable, including immoveable property mentioned in **Schedule 1**, tangible or intangible, including all rights, title and interest in any buildings whether leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress, computers and accessories, software and related data, other fixed assets, trademarks, brands, logos, labels, loans and advances, inventory and work in progress, all agreements, rights, contracts entitlements including those for provision or receipt of any services related to the Occupant Safety Division (OSD) and rights relating thereto, facilities, inventories, stores and stocks, accessories, utilities, services, implements, apparatus, instruments, vehicles, spares, tools vessels, stabilizers, loans and advances, deposits, sundry debtors, cash and bank balances and other investments specifically relating to the Occupant Safety Division (OSD), and investments in all other assets whether real or personal, present, future or contingent relating to the Occupant Safety Division (OSD);
- (b) all rights and licenses, all assignments and grants thereof, all Permits, clearances and registrations whether under central, state or other laws, rights (including rights/ obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate companies and other shareholders of such subsidiary/ associate/ joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments (including investments in Subsidiaries and the investments set out in **Schedule 2** hereto), and/ or interest (whether vested, contingent or otherwise), taxes (including but not limited to credits in respect of sales tax, value added tax, service tax, goods and services tax, and other indirect taxes), deferred tax benefits and other benefits, including but not limited to any refund, benefit, incentive, grant or subsidy granted or to be granted by any Appropriate Authority, in each case, in respect of Occupant Safety Division (OSD), tax losses, if any, cash balances, bank accounts and bank balances, deposits, advances, recoverables, receivables, easements, advantages, financial assets, treasury investments, hire purchase and lease arrangement, funds belonging to or proposed to be utilised for Occupant Safety Division (OSD),



privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests relating to Occupant Safety Division (OSD);

- (c) All intellectual property and industrial property rights and assets, and all rights, interests and protections associated with, similar to or required for any of the foregoing, whether registered or unregistered trade and services names and marks, brand names, logos, design rights, patents, copyrights, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein, works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author performer and neighbouring rights, and all registrations applications for registration and renewals of such copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, software and firmware including data files, source code, object code, application programming interfaces, architecture, files, records, schematics, computerized databases and other related specifications and documentation, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information, and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Occupant Safety Division (OSD);
- (d) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to Occupant Safety Division (OSD);
- (e) all contracts, deeds, bonds, agreements, schemes, arrangements, distributor agreements, sub advisory arrangements and other instruments, permits, rights, entitlements, leases/ licenses, operation and maintenance contracts, memorandum of understanding, memorandum of agreements, memorandum of agreed points, letters of intent, hire and purchase agreements, tenancy rights, equipment purchase agreement, client registration forms / KYC (know your customer) details/ POA (power of attorney) and other agreement and/or arrangement, as amended and restated from time to time, whether executed with customers, suppliers, contractors, lessors, licensors, consultants, advisors or otherwise, which pertains to Occupant Safety Division (OSD);
- (f) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to Occupant Safety Division (OSD);
- (g) all statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including, but not limited to, contracts / agreements with vendors, customers, government etc.), all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), relating to the Occupant Safety Division (OSD);
- (h) all employees (including but not limited to workmen, contract staff, labourers, trainees, interns, apprentices etc.) ("Employees") of the Demerged Company that are determined by the Board of the Demerged Company to be substantially engaged in, or in relation to, the Occupant Safety Division (OSD), on the date immediately preceding the Effective Date;



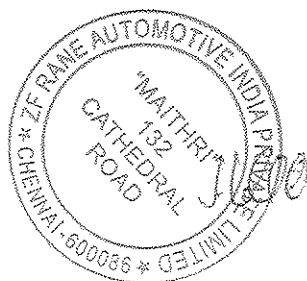
- (i) all liabilities present and future, corporate guarantees issued and the contingent liabilities pertaining or relatable to Occupant Safety Division (OSD) as on the Appointed Date, namely:
 - (i) the debts of the Demerged Company which arises out of the activities or operations of the Occupant Safety Division (OSD);
 - (ii) specific loans and borrowings raised, incurred and utilised by the Demerged Company for the activities or operations of or pertaining to the Occupant Safety Division (OSD); and
 - (iii) general or multipurpose borrowings, if any, of the Demerged Company will be apportioned basis the proportion of the value of the assets transferred as part of Occupant Safety Division (OSD) to the total value of the assets of Demerged Company immediately prior to the Appointed Date.
- (j) any and all memberships and registrations of the Demerged Company in relation to and pertaining to the Occupant Safety Division (OSD);
- (k) all rights to use and avail telephones, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company and exclusively and solely pertaining to or in connection with the Occupant Safety Division (OSD) and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company and exclusively and solely pertaining to the Occupant Safety Division (OSD);
- (l) entire experience, credentials, past record and market share of the Demerged Company pertaining to the Occupant Safety Division (OSD); and
- (m) all legal or other proceedings of whatsoever nature, by or against the Demerged Company pending as on the Effective Date and exclusively relating to the Occupant Safety Division (OSD).

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking of the Demerged Company shall be decided by mutual agreement between the Board of Directors of the Parties. Upon the Scheme becoming effective, the Scheme shall be binding on the Demerged Company, Resulting Company, Governmental Authority / Appropriate Authority and all concerned parties without any further act, deed, matter or thing.

"Effective Date" means last of the date on which the certified copies of the order sanctioning this Scheme, is filed by the respective Parties with the jurisdictional Registrar of Companies.

Reference in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"effect of this Scheme"** or **"upon the Scheme becoming effective"** shall mean the Effective Date;

"Encumbrance" means (a) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term **"Encumber"** shall be construed accordingly;



"Income-tax Act" means the Income-tax Act, 1961 and the rules made thereunder and shall include any statutory modifications, amendment or re-enactment thereof for the time being in force;

"INR" or "Rupee(s)" means Indian Rupee, the lawful currency of the Republic of India;

"Occupant Safety Division (OSD)" means the business division of the Demerged Company engaged in the business of manufacturing, selling and otherwise dealing in occupant safety systems and equipment, including cushion, seat belts, seat webbings, airbags, airbag modules, inflators, crash sensors safety electronic systems, assemblies, steering wheels, door trims, related parts, applications components and any other high-precision components for the automotive industry, in India and overseas markets;

"Parties" means collectively the Demerged Company and the Resulting Company and **"Party"** shall mean each of them, individually;

"Permits" means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

"Person" means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

"Remaining Business of the Demerged Company" means all other businesses, units, divisions, undertakings, and assets and liabilities of the Demerged Company other than the Demerged Undertaking;

"Resulting Company" means ZF Lifetec Rane Automotive India Private Limited, a company incorporated on July 04, 2024 under the provisions of the Companies Act, 2013, having Corporate Identity Number U29302TN2024PTC171639 and having its registered office at "Maithri", 132, Cathedral Road, Chennai - 600 086, Tamil Nadu, India;

"Resulting Company New Equity Shares" means fully paid-up equity share(s) having face value of INR 10/- (Rupees Ten) each issued by the Resulting Company as consideration in terms of Clause 8.1 of this Scheme;

"RoC" means the relevant jurisdictional Registrar of Companies having jurisdiction over the Parties;

"Scheme" means this scheme of arrangement, as may be modified;

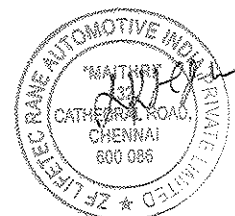
"Subsidiary/ies" means ZF Lifetec Rane Automotive India Private Limited, TRW Sun Steering Wheels Private Limited and ZF Rane Occupant Safety Systems Private Limited, and such other subsidiaries of the Demerged Company as may be in existence as of the Appointed Date.

"Tax Laws" means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax/ value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

"Taxation" or "Tax" or "Taxes" means all forms of direct and indirect taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to any of the Parties or any other Person and all penalties, charges, costs and interest relating thereto; and

"Tribunal" means the Chennai bench of the National Company Law Tribunal having jurisdiction over the Parties.

1.2 In this Scheme, unless the context otherwise requires:



- 1.2.1 The expressions, which are used in this Scheme and not defined therein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income Tax Act, the Depositories Act, 1996 and other Applicable Laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.
- 1.2.2 References to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation.
- 1.2.3 The terms 'taxes', 'duty', 'cess' in the Scheme may be used interchangeably and reference to any one of them shall be deemed to include reference to the other.
- 1.2.4 words denoting the singular shall include the plural and *vice versa*.
- 1.2.5 any Person includes that Person's legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be.
- 1.2.6 References to a document includes an amendment or supplement to, or replacement or novation of, that document. Further, in the event the parties enter into any definitive agreement in relation to this Scheme or any subject matter hereof, the provisions of such definitive agreement shall prevail and be binding on the parties.
- 1.2.7 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and
- 1.2.8 the words "include" and "including" are to be construed without limitation.

2. SHARE CAPITAL

- 2.1 The share capital structure of the Demerged Company as on the date of Board approving the Scheme is as under:

Particulars	Amount (in INR)
Authorized Capital	
90,00,000 equity shares of INR 10/- each face value	9,00,00,000
TOTAL	9,00,00,000
Issued Capital	
88,04,000 equity shares of INR 10/- each face value	8,80,40,000
TOTAL	8,80,40,000
Subscribed and paid-up capital	
87,38,246 equity shares of INR 10/- each face value, fully paid up	8,73,82,460
TOTAL	8,73,82,460

- 2.2 The share capital structure of the Resulting Company as on the date of Board approving the Scheme is as under:

Particulars	Amount (in INR)
Authorized Capital	



1,00,000 equity shares of INR 10/- each face value	10,00,000
TOTAL	10,00,000
Issued, subscribed and paid-Up capital	
10,000 equity shares of INR 10/- each face value, fully paid up	1,00,000
TOTAL	1,00,000

As on date, the Demerged Company and its nominee hold the entire issued, subscribed and paid-up equity capital of the Resulting Company.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme in its present form or with any modification(s) made pursuant to the provisions of this Scheme, shall become operative from the Effective Date and effective from the Appointed Date.

**PART II
DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING**

4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

4.1 With effect from the Appointed Date and in accordance with the provisions of this Scheme and upon the Scheme becoming effective, and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income-tax Act, the Demerged Undertaking along with all its assets, Permits, contracts, liabilities, loan, duties and obligations of the Demerged Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a *going concern* basis, so as to become as and from the Appointed Date, the undertaking of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.

This Scheme complies with the definition of "demerger" as per Section 2(19AA) of the Income-tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income-tax Act, then this Scheme shall stand modified to be in accordance with aforesaid provisions of the Income-tax Act.

4.2 Without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer and vesting of assets and liabilities forming part of the Demerged Undertaking under this Scheme, is as follows:

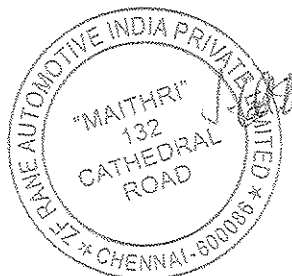
4.2.1 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets, brands, trademarks of the Demerged Undertaking, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;

4.2.2 Subject to Clause 4.2.3 below, with respect to the assets forming part of the Demerged Undertaking other than those referred to in Clause 4.2.1 above, including all rights including lease rental rights, title and interests in the agreements (including agreements for lease or license or leave and license of the properties), investments in shares (including investments in its Subsidiaries and



the investments set out in **Schedule 2** hereto), mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required;

- 4.2.3 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immoveable in nature, whether or not included in the books of the Demerged Company, including land, buildings, offices, sites, tenancy rights related thereto, rights, and all accretions, appurtenances, interests and easements in relation thereto; the same shall stand transferred to the Resulting Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company; and only for the purposes of the payment of stamp duty, registration fees or other similar taxes or fees (if required under applicable law), shall be deemed to be conveyed at the applicable circle rates/guideline values applicable to the respective immovable properties as determined by the relevant authorities at the time.
- 4.2.4 Upon effectiveness of Part II of the Scheme, all debts, liabilities, loans, obligations and duties (including but not limited to any obligations and benefits under the Export Promotion Capital Goods Scheme) of the Demerged Company as on the Appointed Date and relating to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company, in compliance with the requirements of Section 2(19AA) of the income-tax Act, to the extent that they are outstanding as on the Appointed Date and the Resulting Company shall meet, discharge and satisfy the same. In so far as various incentives, subsidies, exemptions, remissions, reductions, export benefits, GST benefits, service tax benefits, all indirect tax related assets / credits, including but not limited to GST input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses / minimum alternative tax, unabsorbed depreciation and other benefits or exemptions or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed of by the Demerged Company and any interest thereon, with regard to any law, act or rule or scheme made by, the Governmental Authority, shall, without any further act, instrument or deed, in each case, in so far as they relate to the Demerged Undertaking, vest with and be available to the Resulting Company on the same terms and conditions as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Resulting Company to the end and intent that the right of the Demerged Company to recover or realize the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.2.5 The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes.
- 4.2.6 With effect from the Appointed Date, and upon the Scheme becoming effective, investments of the Demerged Company relating to the Occupant Safety Division (OSD), including investments in its relevant Subsidiaries (other than the Resulting Company) and the investments set out in **Schedule 2** hereto, shall be recorded in the name of the Resulting Company by operation of law as transmission in favour



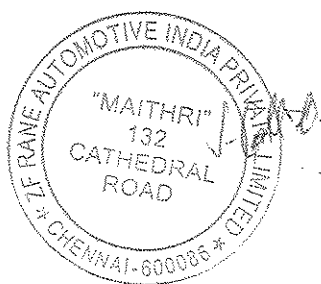
of the Resulting Company as a successor in interest and any documents of title in the name of the Demerged Companies shall also be deemed to have been mutated and recorded in the name of the Resulting Company to the same extent and manner as originally held by the Demerged Company and enabling the ownership, right, title and interest therein as if the Resulting Company was originally the Demerged Company. The Resulting Company shall, subsequent to this Scheme becoming effective be entitled to the delivery and possession of all documents of title with respect to such investments.

- 4.2.7 Unless otherwise agreed to between the Demerged Company and the Resulting Company, the vesting of all the assets of the Demerged Company forming part of the Demerged Undertaking, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets forming part of the Demerged Undertaking of the Demerged Company or part thereof on or over which they are subsisting or and vesting of such assets in the Resulting Company and no such Encumbrances shall extend over or apply to any other asset(s) of Resulting Company. Any reference in any security documents or arrangements (to which Demerged Company is a party) related to any assets of Demerged Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Resulting Company. Similarly, Resulting Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of/ to be availed of by it, and the Encumbrances in respect of such indebtedness of the Demerged Company shall not extend or be deemed to extend or apply to the assets so vested.
- 4.2.8 In so far as any Encumbrance in respect of liabilities of the Demerged Undertaking is concerned, such Encumbrance shall without any further act, instrument or deed being required to be modified and, if so agreed, shall be extended to and shall operate over the assets of the Resulting Company. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business of the Demerged Company are concerned, the Encumbrance, if any, over such assets relating to the liabilities of the Demerged Undertaking, without any further act, instrument or deed being required, be released and discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.
- 4.2.9 Taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to Demerged Undertaking shall be treated as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable.
- 4.2.10 If the Demerged Company is entitled to any unutilized credits (including unutilised credits and unabsorbed depreciation, minimum alternate tax credit), balances or advances, benefits under the incentive schemes and policies including tax holiday or concessions relating to the Demerged Undertaking under any Tax Laws or Applicable Laws, the Resulting Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission.
- 4.2.11 Subject to the provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy, in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or



held on account of the Resulting Company, as the Person entitled thereto, and that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company, if any, and that appropriate entries should be passed in their respective books to record the aforesaid changes;

- 4.2.12 On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate such bank accounts of the Demerged Company, in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company;
- 4.2.13 All outstanding and receivables of the Demerged Company pertaining to the Demerged Undertaking shall on and from the Appointed Date stand transferred to and vested in the Resulting Company without any approval, notice or other intimation to the debtors (although the Demerged Company and / or the Resulting Company may, if it so deems appropriate, give notice to the debtors that the debts do stand transferred to and vested in the Resulting Company), and the debtors shall be obliged to make payments to the Resulting Company. If the Demerged Company realizes any amounts after the Effective Date that form part of the Demerged Undertaking, it shall immediately make payment of such amounts to the Resulting Company. It is clarified that all receivables relating to the Demerged Undertaking, relating to the period prior to the Effective Date, but received after the Effective Date, shall be paid to the Resulting Company for no additional consideration. If the Resulting Company realizes any amounts after the Effective Date that pertains to the Remaining Business, the Resulting Company shall immediately pay such amounts to the Demerged Company;
- 4.2.14 Permits, including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking, shall be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of Resulting Company as if the same were originally given by, issued to or executed in favour of Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Demerged Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever;
- 4.2.15 Contracts in relation to the Demerged Undertaking, where the Demerged Company is a party, shall stand transferred to and vested in the Resulting Company pursuant to the Scheme becoming effective. The absence of any formal amendment / consent which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. The Parties shall, wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause; and
- 4.2.16 Notwithstanding the generality of the foregoing provisions, all electricity (including but not limited to the connections as a captive user under the group captive scheme), gas, water and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states pertaining to the Demerged Undertaking, together with security deposits and all other advances paid, shall stand transferred in favour of the Resulting Company on the same terms and conditions by operation of law and without any further act, instrument, deed, matter or thing being made, done or executed. The relevant electricity, gas, water

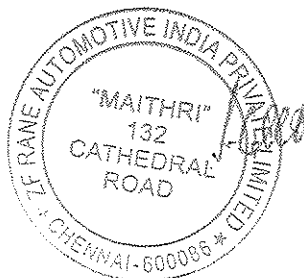


and any other utility companies, boards, agencies and authorities shall issue invoices in the name of the Resulting Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date occurs. The Resulting Company shall comply with the terms, conditions and covenants associated with the grant of such connection and shall also be entitled to refund of security deposits placed with such companies, boards, agencies and authorities in respect of the Demerged Undertaking.

- 4.3 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 4, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. Any procedural requirements required to be fulfilled solely by the Demerged Company or upon the Scheme becoming effective, shall be fulfilled by the Resulting Company as if it were the duly constituted attorney of the Demerged Company. The Resulting Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts forming part of the Demerged Undertaking transferred and/ or registered in its name. It is clarified that if any part of the Demerged Undertaking is not transferred to the Resulting Company on the Effective Date pursuant to the Demerger, the Demerged Company, shall take such actions as may be reasonably required to ensure that such part of the Demerged Undertaking is transferred to the Resulting Company promptly and for no further consideration. The Resulting Company shall bear all costs and expenses as may be incurred by the Demerged Company, subject to the prior written consent of the Resulting Company, for giving effect to this Clause.

5. EMPLOYEES

- 5.1 With effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral / terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking, shall be decided by the Demerged Company, and shall be final and binding on all concerned Parties.
- 5.2 Upon the Scheme coming into effect, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the Demerged Undertaking and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Resulting Company.
- 5.3 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/ or such new provident fund, gratuity fund and superannuation fund to be established in accordance with the Applicable Laws and caused to be recognized by the Appropriate Authorities, by the Resulting Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.



6. LEGAL PROCEEDINGS

- 6.1 With effect from the Effective Date, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature (except proceedings under the Income-tax Act) by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to the Resulting Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall consequently stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.
- 6.2 The Resulting Company undertakes to have all legal and other proceedings (except proceedings with respect to Income-tax Act) initiated by or against the Demerged Company referred to in Clause 6.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. The concerned Parties shall make relevant applications and take all steps as may be required in this regard.
- 6.3 Notwithstanding anything contained hereinabove, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings under the Income-tax Act), in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if the Demerged Company is unable to get the Resulting Company replaced in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

7. CONSEQUENTIAL MATTERS RELATING TO TAX

- 7.1 The Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income Tax Act. Such modification will however not affect other parts of the Scheme.
- 7.2 With effect from the Appointed Date, the unabsorbed tax losses and unabsorbed tax depreciation of the Demerged Undertaking, if any, which accrue prior to the Appointed Date, and which shall be adjusted in accordance with any assessments / reassessments / rectifications by the tax authorities subsequent to the date hereof, would be transferred in accordance with the provisions of Income Tax Act.
- 7.3 Upon the Scheme coming into effect, all Goods and Service Tax ("GST") and other indirect taxes of a similar nature, paid by the Demerged Company pertaining to the Demerged Undertaking from the Appointed Date, regardless of the period to which they relate, shall be deemed to have been paid for and on behalf of and to the credit of the Resulting Company and the Resulting Company shall be entitled to take credit for such taxes



notwithstanding that certificates/ challans for the said taxes are in the name of the Demerged Company and not in the name of the Resulting Company.

- 7.4 Likewise all taxes (including income tax, Tax Deduction at Source ("TDS"), advance tax, GST, etc.) payable by the Demerged Company in respect of the operations and/ or the profits of the Demerged Undertaking on and from the Appointed Date, shall be on account of the Resulting Company and, in so far as it relates to the tax payment (including without limitation income tax, GST, etcetera), whether by way of TDS, advance tax or otherwise howsoever, the same shall be deemed to be the corresponding item paid by the Resulting Company, and, shall, in all proceedings, be dealt with accordingly. Upon the Scheme becoming effective, any TDS deposited, TDS certificates issued or TDS returns filed by the Demerged Company, if any, relating to the Demerged Undertaking shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Resulting Company.
- 7.5 Upon the Scheme becoming effective, the Resulting Company shall expressly be permitted to claim refunds/credits on account of GST in accordance with the rules made thereunder, pertaining to the Demerged Undertaking.
- 7.6 In accordance with the rules framed under the Cenvat Credit Rules, 2004 or GST laws or any statutory modification or re-enactment thereof, as are prevalent on the Effective Date, the unutilized excise duty / service tax credits / GST input tax credits, if any, relating to the excise duty / service tax / GST paid on input goods / services pertaining to the Demerged Undertaking shall be transferred to the credit of the Resulting Company, as if all such unutilized credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such unutilized credits against the service tax / GST payable by it, without limitation.
- 7.7 Without prejudice to generality of the aforesaid, any concession or statutory forms under the tax laws or local levies issued or received by the Demerged Company pertaining to the Demerged Undertaking, in respect of period commencing from the Appointed Date, shall be deemed to be issued or received in the name of the Resulting Company and the benefit of such forms shall be allowable to the Resulting Company in the same manner and to the same extent as would have been available to the Demerged Company.
- 7.8 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and tax returns along with prescribed forms, filings and annexures under the tax laws and to claim refunds and/or credit for taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that the Resulting Company shall be entitled to claim deductions under Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to Appointed Date.
- 7.9 Upon the scheme becoming effective, the Resulting Company shall be entitled to (a) claim deduction with respect to items such as provisions, expenses, etc. in respect of the Demerged Undertaking, disallowed in earlier years in the hands of the Demerged Company, which may be allowable in accordance with the provisions of the Income Tax Act, 1961 on or after Appointed Date and (b) exclude items such as provisions, reversals, etc. in respect of the Demerged Undertaking, for which no deduction or tax benefit has been claimed by the Demerged Company prior to the Appointed Date.
- 7.10 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Demerged Company, shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the Appropriate Authority having sanctioned this Scheme, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company, to recover or realise the same, stands transferred to the Resulting Company.
- 7.11 All the tax proceedings in relation to the Demerged Undertaking for a period prior to the Appointed Date shall be enforced against the Demerged Company and pertaining to the period after the Appointed Date shall be enforced against the Resulting Company.



- 7.12 All benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation), accumulated losses, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, tax collected at source, wealth tax, goods and services tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, etc.) to which the Demerged Company (in relation to the Demerged Undertaking) is entitled to, in accordance with the provisions of section 72A(4) of the Income tax Act, shall be available to and vest in the Resulting Company, upon this Scheme coming into effect.
- 7.13 All the expenses incurred by the Demerged Company and the Resulting Company in relation to the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Demerged Company and the Resulting Company in accordance with the Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which the Scheme becomes effective.

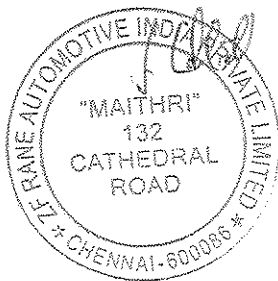
8. CONSIDERATION AND ISSUE OF SHARES AND RELATED MATTERS

- 8.1 Upon effectiveness of this Scheme and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Demerged Company whose name is recorded in the register of members as on the Effective Date, as under:

"1 (one) equity share of INR 10 (Indian Rupees Ten) each of the Resulting Company, credited as fully paid up, for every 1 (one) equity share fully paid up of INR 10 (Indian Rupees Ten) each of the Demerged Company held by such shareholder."

The equity shares of the Resulting Company to be issued pursuant to this Clause 8.1 shall be referred to as **"Resulting Company New Equity Shares"**.

- 8.2 The Resulting Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company, including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the Resulting Company New Equity Shares.
- 8.3 The issue and allotment of Resulting Company New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders of the Appropriate Authority without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the shareholders of the Resulting Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of Resulting Company New Equity Shares.
- 8.4 Subject to Applicable Laws, the Resulting Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Resulting Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed by the Board of the Resulting Company) be updated to reflect the issue of Resulting Company New Equity Shares in terms of this Scheme.
- 8.5 In the event, the Demerged Company and/or the Resulting Company restructure their equity share capital by way of share split/ consolidation/ issue of bonus shares during the pendency of the Scheme, the share entitlement ratio, per Clause 8.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.
- 8.6 The Resulting Company shall, to the extent required, increase its authorized share capital in order to issue Resulting Company New Equity Shares, as per with the applicable provisions of the Act, prior to allotment of Resulting Company New Equity Shares.



9. CANCELLATION OF EQUITY SHARES OF THE RESULTING COMPANY HELD BY DEMERGED COMPANY

- 9.1 With effect from this Scheme becoming effective and simultaneous to allotment of Resulting Company New Equity Shares by the Resulting Company, the entire paid-up equity share capital, as on Effective Date, of the Resulting Company held by the Demerged Company and its nominee ("**Resulting Company's Cancelled Shares**") shall stand cancelled, extinguished and annulled and the issued, subscribed and paid up equity capital of the Resulting Company to that effect shall stand cancelled and reduced, without any further act or deed as an integral part of this Scheme.
- 9.2 The consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting such changes to its equity share capital and no further resolution or action under the provisions of the Companies Act would be required to be separately passed or taken.
- 9.3 On effecting the reduction of the share capital as stated in Clause 9.1 above, the share certificates, if any, or shares lying to the credit of the demat account of the respective holders in respect of the Resulting Company Cancelled Shares shall also be deemed to have been cancelled.
- 9.4 On the Effective Date, the Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the Resulting Company's Cancelled Shares.
- 9.5 Notwithstanding the reduction in the equity share capital of the Resulting Company as a result of such cancellation, the Resulting Company shall not be required to add 'And Reduced' as suffix to its name.
- 9.6 The cancellation of the Resulting Company Cancelled Shares does not involve any diminution of liability of in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

10. ACCOUNTING TREATMENT

- 10.1 The Demerged Company and the Resulting Company shall account for the demerger of the Demerged Undertaking in accordance with applicable Indian Accounting Standards ("**Ind AS**") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- 10.2 **Accounting Treatment in the books of the Demerged Company:**

With effect from the Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of accounts as under –

- 10.2.1 The book value of assets, liabilities and reserves of the Demerged Company relating to the Demerged Undertaking at their carrying values as appearing in the books of the Demerged Company shall be reduced from the respective balances appearing for such assets, liabilities and reserves in the books of the Demerged Company;
- 10.2.2 The difference, if any, between the net assets and reserves transferred pursuant to clause 10.2.1 above pertaining to the Demerged Undertaking shall be adjusted against the capital reserve account and in case of deficit in the capital reserve account for whatever reason, then it shall be disclosed separately as Restructuring Adjustment Deficit Account under the head Reserves and Surplus;
- 10.2.3 Any matter not dealt with in clause hereinabove shall be dealt with in accordance with the Indian accounting standards and generally accepted accounting principles applicable to the Demerged Company.
- 10.2.4 For accounting purpose, the Scheme will be given effect from the date when all substantial conditions for the transfer of business are completed.



10.3 **Accounting Treatment in the books of the Resulting Company:**

Notwithstanding anything else contained in the Scheme, the Resulting Company shall account for the transfer and vesting of the Demerged Undertaking, vested in it pursuant to part II of this Scheme document, in its books of accounts, as per the 'Pooling of interest method' as prescribed under Appendix C 'Business combinations of entities under common control' of the Ind AS 103 'Business Combinations' prescribed under Section 133 of the Act, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time and any other applicable provisions and laws for the time being in force:

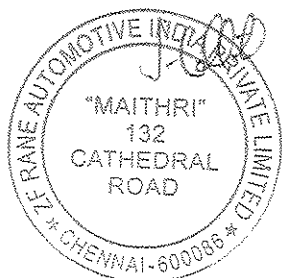
- 10.3.1 Resulting company shall record all the assets and the liabilities acquired, related to the Demerged Undertaking, at their respective carrying values as appearing in the books of accounts of the Demerged Company;
- 10.3.2 To the extent that there are inter-company loans, advances, deposits, balances or other obligations between Demerged Undertaking and Resulting Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of accounts and records of Resulting Company for the reduction of any assets or liabilities, as the case may be;
- 10.3.3 The identity of reserves specifically pertaining to the Demerged Undertaking, if any, shall be preserved and they shall appear in the financial statements of the Resulting Company in the same form and manner in which they appeared in the financial statements of the Demerged Company;
- 10.3.4 The Resulting company shall credit its share capital account, the aggregate face value of equity shares of Resulting company, issued to the shareholders of Demerged Company;
- 10.3.5 The surplus, if any, arising after taking the effect of sub-clause 1, sub-clause 2, sub-clause 3 and after adjusting sub-clause 4, shall be transferred to Capital Reserve in the financial statements of the Resulting Company. The deficit, if any arising after taking the effect of sub-clause 1, sub-clause 2, sub-clause 3 and after adjusting sub-clause 4, if any, shall be debited to Retained Earnings in the financial statements of the Resulting Company;
- 10.3.6 Comparative financial information in the financial statements of the Resulting Company shall be restated for the accounting impact of Demerger, as stated above, as if the Demerger had occurred from the beginning of the comparative period. However, if the company came into existence after that date, the prior period information shall be restated only from the date of the incorporation;
- 10.3.7 The Resulting Company's share capital reduction, pursuant to clause 9 of this Scheme will be transferred to capital reserve;
- 10.3.8 For accounting purpose, the Scheme will be given effect from the date when all substantial conditions for the transfer of business are completed;
- 10.3.9 Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the Indian accounting standards and generally accepted accounting principles applicable to the Resulting Company.

11. **ALTERATION OF THE MEMORANDUM OF ASSOCIATION OF THE DEMERGED COMPANY**

- 11.1 With effect from the Effective Date, the existing main object Clause III(A) of the memorandum of association of the Demerged Company shall be deemed to be altered, amended and replaced, without any further act or deed, with the following new Clause III(A) as under:

A. **Main object:**

1. *To carry on the business of manufacturers, exporters, and dealers primarily in all types of Power Steering Gear systems for commercial vehicles, hydraulic*



power steering systems for passenger cars, Farm Tractors and Passenger Car Rack Drive Electric Power Steering (Dual Pinion, Single Pinion and Belt Drive).

2. *To carry on the business of manufacturers, exporters and dealers in all types of Components including Steering Gears, Universal Joints and Bevel Gears, Drop Arms, Pumps, Reservoirs, Hoses and fittings and such other components or assemblies required for the above and other Engineering applications.*
 3. *To manufacture, sell or otherwise deal in all such materials or components as are allied and akin to the above-mentioned products.*
 4. *To carry on the business of manufacture of components/raw materials that are required for the above-mentioned products.*
- 11.2 Filing of the certified copy of this Scheme as sanctioned by the Tribunal, in terms of Sections 230 to 232 of the Act and any other applicable provisions of the Act, together with the order of the Tribunal and a printed copy of the amended memorandum of association shall be sufficient for the purposes of the applicable provisions of the Act and the RoC shall register the same and make the necessary alterations in the memorandum of association of the Demerged Company accordingly and shall certify the registration thereof in accordance with the applicable provisions of the Act.
- 11.3 It is clarified that the approval of the members of the Demerged Company to this Scheme shall be deemed to be their consent / approval also to the consequential alteration of the memorandum of association of the Demerged Company and the Demerged Company in terms of Clause 11.2 of Part II above shall not be required to seek separate consent / approval of its shareholders for such alteration of the memorandum of association as required under Sections 13, 14, 61, 62 and 64 of the Act and other applicable provisions of the Act.

12. INCREASE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

- 12.1 Upon effectiveness of the Scheme, for issuance of the Resulting Company New Equity Shares as per Clause 8 above, the authorised share capital of the Resulting Company as on the Effective Date shall stand altered and increased to INR 9,00,00,000 (Indian Rupees Nine Crores only), without any further act, instrument or deed on the part of the Resulting Company and the memorandum of association and articles of association of the Resulting Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the Resulting Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be.
- 12.2 Consequently, Clause V of the memorandum of association of the Resulting Company shall without any act, instrument or deed be and stand altered, modified and amended to reflect the increased authorised share capital as per Clause 12.1 above, pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act.
- 12.3 It is clarified that the approval of the shareholders of the Resulting Company to this Scheme, shall be deemed to be their consent / approval for the alteration of the memorandum of association under Sections 13, 61, 64 and other applicable provisions of the Act. The Resulting Company shall pay the requisite stamp duty and RoC fees and shall file the required returns / information / amended copy of the memorandum of association with the RoC to give effect to the alteration in the authorised share capital.

13. CONDUCT OF THE BUSINESS OF THE DEMERGED UNDERTAKING OF DEMERGED COMPANY TILL THE EFFECTIVE DATE

- 13.1 With effect from the date of approval of the Scheme by the respective Board of the Parties and up to and including the Effective Date, the Demerged Company with respect to Demerged Undertaking shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall



hold and stand possessed of the assets for and on account of, and in trust for the Resulting Company.

- 13.2 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon demerger of the Demerged Undertaking in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/ or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/ or substitution.

14. SAVING OF CONCLUDED TRANSACTIONS

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged Company in relation to the Demerged Undertaking until the Effective Date, to the end and intent that the Resulting Company shall accept and adopt all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of the Resulting Company.

PART III

GENERAL TERMS & CONDITIONS

15. REMAINING BUSINESSES OF THE DEMERGED COMPANY

- 15.1 The Remaining Business of the Demerged Company and all the assets, investments, liabilities and obligations of the Demerged Company, shall continue to belong to and be owned and managed by the Demerged Company. The Demerged Company shall continue to be liable to perform and discharge all its liabilities and obligations in relation to the Remaining Business of the Demerged Company and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.
- 15.2 All legal, Tax and/ or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced against the Demerged Company. The Resulting Company shall in no event be responsible or liable in relation to any such legal, Tax or other proceedings in relation to the Remaining Business of the Demerged Company.
- 15.3 If the Resulting Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business of the Demerged Company, the Resulting Company shall take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Company with the Demerged Company. However, if the Resulting Company is unable to get the Demerged Company so substituted in such proceedings, it shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse the Resulting Company, against all liabilities and obligations incurred by or against Resulting Company, in respect thereof.



15.4 The Demerged Company shall carry on all business and activities pertaining or relating to the Remaining Business in their own name and on their own account.

15.5 No part of the Remaining Business shall be transferred to the Resulting Company pursuant to the Demerger. If any part of the Remaining Business is inadvertently held by the Resulting Company after the Effective Date, the Resulting Company shall take such actions as may be reasonably required to ensure that such part of the Remaining Business is transferred back to the Demerged Company, promptly and for no consideration. The Resulting Company shall bear all costs and expenses as may be required to be incurred for giving effect to this Clause.

16. APPLICATION / PETITION TO THE TRIBUNAL

16.1 The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

16.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Resulting Company may require to own the assets and/ or liabilities of the Demerged Undertaking, as the case may be, and to carry on the business of the Demerged Undertaking, as the case may be.

17. MODIFICATION OR AMENDMENTS TO THE SCHEME

17.1 The Board of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.

17.2 For the purposes of giving effect to this Scheme, the Board of the Parties may give such directions including directions for settling any doubts, question or difficulty that may arise and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that Tribunal or any other authorities under law may deem fit to approve of, to direct and / or impose. The aforesaid powers of the Parties to give effect to the modification/ amendments to the Scheme may be exercised by their respective Board of Directors/ its committee or any person authorised in that behalf by the concerned Board of Directors subject to approval of Tribunal or any other authorities under the Applicable Laws and such directions shall be binding on all Parties as if the same were specifically incorporated in this Scheme.

18. CONDITIONS PRECEDENT

18.1 Unless otherwise decided (or waived) by Parties, the Scheme is conditional upon and subject to the following conditions precedent:

18.1.1 approval of the Scheme by the requisite majority of each class of shareholders and such other classes of Persons of the Parties, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal;

18.1.2 the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties;

18.1.3 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC having jurisdiction over the Parties; and

18.1.4 the requisite consent, approval or permission of Appropriate Authority or any other Person which by Applicable Law may be necessary for the implementation of this Scheme.

18.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, title, or defences that Parties may have under or pursuant to all Applicable Laws.



18.3 On the approval of this Scheme by the shareholders and such other classes of Persons of the Parties, if any, the shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme.

19. WITHDRAWAL OF THIS SCHEME, NON-RECEIPT OF APPROVALS AND SEVERABILITY

19.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

19.2 In the event of withdrawal of the Scheme under Clause 19.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.

19.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Parties, this Scheme or relevant part(s) of this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

19.4 In the event of revocation / withdrawal of the Scheme under Clause 19.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

19.5 Further, it is the intention of the Parties that each part shall be severable from the remainder of this Scheme and the Scheme shall not be affected if any part of this Scheme is found to be unworkable for any reason whatsoever unless the deletion of such part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in this Scheme or cause such part to be null and void, including but not limited to such part.

20. COSTS, CHARGES AND EXPENSES

20.1 All costs, charges, levies, fees, duties and expenses of the Demerged Company and the Resulting Company respectively in relation to or in connection with this Scheme shall be borne and paid by the respective Parties.

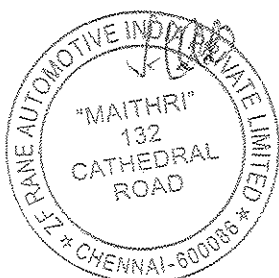
20.2 Subject to Clause 20.1 above, the Resulting Company shall bear the stamp duty cost in pursuance to or as a consequence of this Scheme.

21. FACILITATION PROVISIONS

21.1 Immediately upon the Scheme being effective, the Demerged Company and the Resulting Company shall enter into agreements as may be necessary, *inter alia* in relation to use of office space, land, building, manufacturing facilities, infrastructure facilities, information technology services, security personnel, trademarks and other intellectual property rights, legal, administrative and other services, etc. on such terms and conditions that may be mutually agreed between them.

21.2 Without prejudice to the generality of the foregoing Clause 21.1 above, immediately upon the Scheme being effective, the Demerged Company and the Resulting Company shall enter into necessary agreements whereby, the Demerged Company shall provide shared services *viz.* accounting, tax, human resources, legal, secretarial, research and development etc. to the Resulting Company on such terms and conditions that may be mutually agreed between them.

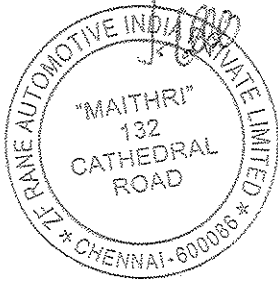
21.3 It is clarified that approval of the Scheme by the shareholders of the Parties under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 188 and other applicable provisions of the Act and that no separate approval of the Board or shareholders shall be required to be sought by the Parties.



21.4 It is clarified that all guarantees provided by the Demerged Company in respect of the Demerged Undertaking shall be valid and subsisting till adequate arrangements / guarantees have been provided in respect of the same by the Resulting Company.

22. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom and relating to the Demerged Undertaking are transferred, vested, recorded, effected and/or perfected, in the records of the governmental authority (ies), regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the governmental authority (ies) and till such time as may be mutually agreed between the Parties, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval as the case may be, in each case, relating to the Demerged Undertaking, in trust on behalf of the Resulting Company.



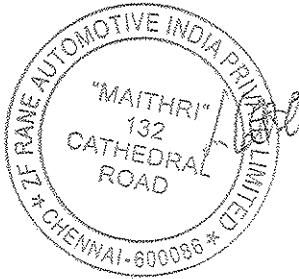
SCHEDULE 1 | LIST OF IMMOVABLE PROPERTIES

Sl. No	Location and Address of the Immovable Properties	Purpose
1.	<p>5.78 acres land located at 48 KM Stone, G.S.T. ROAD, Singaperumalkoil - 603 204</p> <p>Land Located under the Survey. Nos. 1) 4/2B - 0.001 acre; 2) 5/2 - 0.0084 acre; 3) 41/1 - 0.80 acre; 4) 41/2 - 0.40 acre; 5) 42/1 - 0.604 acre; 6) 42/2 - 0.058 acre, 7) 42/3 - 0.08 acre; 8) 42/4 - 0.42 acre; 9) 45/1 - 0.0873 acre; 10) 46/1B - 0.079 acre; 11) 46/2B - 0.0463 acre; 12) 46/3B - 0.038 acre; 13) 46/4A - 0.15 acre; 14) 46/4B - 0.04 acre; 15) 46/5B - 0.001 acre; 16) 46/6B - 0.008 acre; 17) 46/7B1 - 0.0203 acre; 18) 46/8B1 - 0.0349 acre; 19) 46/9A - 0.167 acre; 20) 46/9B - 0.087 acre; 21) 47/1 - 0.41 acre; 22) 47/2 - 0.38 acre; 23) 48/1 - 0.31 acre; 24) 48/2 - 0.45 acre; 25) 49/2 - 0.21 acre; 26) 50/1 - 0.89 acre.</p>	Factory for Manufacturing
2.	<p>31.53 acres land located at N45 Chennai National highway, Siruganur, Tiruchirappalli - 621 105.</p> <p>Land Located under the Survey. Nos. 1) 83/1 - 9.27 acre; 2) 86/1A - 2.64 acre; 3) 86/1B - 0.88 acre; 4) 86/2A - 1.26 acre; 5) 86/2B - 1.19 acre; 6) 86/2C - 1.32 acre; 7) 86/2D - 1.26 acre; 8) 90/2 - 2.37 acre; 9) 91/2A - 0.40 acre; 10) 91/2B - 0.69 acre; 11) 91/2C - 0.73 acre; 12) 91/3 - 1.40 acre; 13) 92/1A1 - 1.73 acre; 14) 92/1A2 - 0.84 acre; 15) 92/1B2 - 1.65 acre; 16) 92/4 - 1.33 acre; 17) 91/1 - 2.57 acres</p>	Factory for Manufacturing



SCHEDULE 2 | LIST OF INVESTMENTS

Particulars	No. of Equity Shares
Investment in Power Projects	
Atria Wind (Kadambur) Private Limited	30,000
TOTAL	30,000
Investments in Equity Instruments	
TRW Sun Steering Wheels Private Limited 29,04,039 shares with face value of Rs. 10/- each	29,04,039
ZF Rane Occupant Safety Systems Private Limited 3,40,00,000 shares with face value of Rs. 10/- each	3,40,00,000
TOTAL	3,69,04,039
GRAND TOTAL	3,69,34,039




ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED
 STANDALONE BALANCE SHEET AS AT DECEMBER 31, 2024
 (All amounts are in crores in INR unless otherwise stated)

S.No	Particulars	Note No.	As at 31st Dec 2024 (Unaudited)	As at 31st March 2024 (Audited)
	A. ASSETS			
i	Non-Current Assets			
	(a) Property, plant and equipment	2	382.45	351.97
	(b) Capital Work in Progress		27.51	14.05
	(c) Investment Property	2A	17.78	18.20
	(d) Right to Use Assets	3	24.73	19.82
	(e) Other Intangible Assets	4	0.93	0.98
	(f) Financial Assets			
	(i) Investments	5	176.13	176.12
	(ii) Loans	6	0.56	0.40
	(iii) Other financial assets	7	4.17	3.89
	(g) Advance Tax (net)	8	17.50	14.06
	(h) Deferred Tax Assets (net)		2.52	0.91
	(i) Other Non Current Assets	9	14.14	23.09
	Total non-current assets		668.42	623.49
ii	Current Assets			
	(a) Inventories	10	250.45	246.31
	(b) Financial Assets			
	(i) Trade Receivables	11	407.33	382.13
	(ii) Cash and Cash Equivalents	12	14.43	23.77
	(iii) Bank balances other than (ii) above	13	2.72	3.14
	(iv) Loans	14	87.59	33.60
	(v) Other Financial assets	15	9.35	13.14
	(c) Other Current Assets	16	43.26	31.36
	Total current assets		815.13	733.46
	TOTAL ASSETS		1,483.55	1,356.94
	B. EQUITY AND LIABILITIES			
i	Equity			
	(a) Equity Share Capital	17	8.74	8.74
	(b) Other Equity	18	581.66	540.67
	Total equity		590.40	549.41
	Liabilities			
ii	Non-Current Liabilities			
	(a) Financial Liabilities			
	i. Lease Liability	19	18.42	13.51
	ii. Borrowings	20	89.53	93.74
	(b) Provisions	21	12.62	9.62
	(c) Other Non-Current Liabilities	22	0.21	0.21
	Total non-current liabilities		120.78	117.08
iii	Current Liabilities			
	(a) Financial Liabilities			
	i. Lease Liability	23	0.53	0.57
	ii. Borrowings	24	379.39	345.83
	iii. Trade Payables	25	324.49	296.52
	iv. Other financial Liabilities	26	25.35	19.27
	(b) Provisions	27	12.53	12.64
	(c) Other Current Liabilities	28	29.95	15.62
	Total current liabilities		772.37	690.45
	Total Liabilities		893.15	807.53
	TOTAL EQUITY AND LIABILITIES		1,483.55	1,356.94
	See accompanying notes forming part of the standalone financial statements			

For ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED


 HARISH LAKSHMAN
 Chairman & Managing Director
 DIN: 00012602


 L. GANESH
 Nominee Director
 DIN: 00012583


 S. SENTHILNATHAN
 Chief Financial Officer
 & Company Secretary



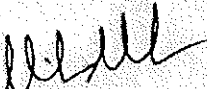
Place: Chennai
 Date: 29 Jan 2025

ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR NINE MONTHS ENDED DECEMBER 31, 2024
 (All amounts are in crores in INR unless otherwise stated)

S.No.	Particulars	Note No.	Nine Months Ended Dec 2024 (Unaudited)	FY 23-24 (Audited)
I	Revenues from Operations (Gross)	29	1,509.19	2,079.91
II	Other Income	30	61.28	22.40
III	Total Income (I+II)		1,570.47	2,102.31
IV	Expenses:			
	Cost of materials consumed	31	1,032.02	1,436.38
	Employee benefits expense	32	151.33	200.04
	Finance costs	33	26.75	19.00
	Depreciation and amortisation expense	34	45.43	55.94
	Other expenses	35	178.35	232.02
	Total Expenses (IV)		1,433.87	1,943.38
V	Profit before tax (III- IV)		136.60	158.93
VI	Tax Expense:			
	(1) Current Tax		23.22	39.16
	(2) Deferred Tax		(1.60)	(1.78)
			21.62	37.38
VII	Profit for the year (V-VI)		114.98	121.55
VIII	Other Comprehensive Income			
	a) Remeasurements of the defined benefit plans		(1.10)	(2.14)
	b) Tax on Remeasurements of the defined benefit plans		0.29	0.53
	Total other comprehensive income (VIII)		(0.81)	(1.61)
IX	Total Comprehensive Income for the period (VII+VIII)		114.17	119.94
X	Earnings Per Equity Share (Face value of Rs. 10 each)*			
	Basic (In Rs.)		131.58	139.10
	Diluted (In Rs.)		131.58	139.10

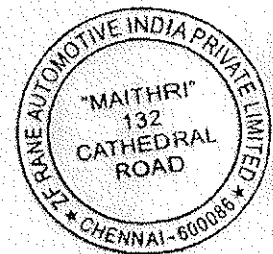
See accompanying notes forming part of the standalone financial statements
 * EPS for Nine months ended 31 Dec 2024 is not annualised

For ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED


HARISH LAKSHMAN
 Chairman & Managing Director
 DIN: 00012602


L. GANESH
 Nominee Director
 DIN: 00012583


S. SENTHILNATHAN
 Chief Financial Officer
 & Company Secretary



Date : 29 Jan 2025
 Place: Chennai

ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED
 STANDALONE CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2024
 (All amounts are in crores in INR unless otherwise stated)

Particulars	For the Nine months ended Dec 31, 2024		For the Year ended March 31, 2024	
A. Cash flow from operating activities				
Profit Before Tax		136.60		158.93
Adjustments for :				
Finance costs recognised in profit or loss	26.75		19.00	
Interest income from investment recognised in profit or loss	(3.48)		(1.75)	
Profit on sale of mutual fund units	-		-	
Interest income from fixed deposit	(0.08)		(0.06)	
Gain on disposal of property, plant and equipment	(0.25)		(12.98)	
Dividend Income from equity investment in subsidiary company	(52.27)			
(Write back) / Provision for doubtful receivables / advances	(0.43)		(0.04)	
Depreciation and Amortisation	45.43		55.94	
Unrealised Net foreign exchange(gain) or loss	1.09		0.40	
		16.75		60.51
Movements in working capital :				
(Increase) / decrease in trade receivables	(24.76)		(9.87)	
(Increase) / decrease in inventories	(4.14)		(2.50)	
(Increase) / decrease in other assets	(8.74)		(1.49)	
Increase / (decrease) in trade payables	25.43		(28.04)	
Increase / (decrease) in provisions	2.89		6.29	
Increase / (decrease) in other liabilities	22.45	13.13	(10.01)	(45.62)
Cash generated from operations		166.48		173.82
Income Tax paid		(26.39)		(42.41)
Net cash generated from operating activities		140.09		131.41
B. Cash flow from investing activities				
Interest received	3.56		1.81	
Proceeds from repayment of loan given	-		3.00	
Loan to related party	(53.80)		(29.50)	
Investment in Equity shares of wholly owned subsidiary	(0.01)		(139.20)	
Other long term investments made	-		(0.66)	
Dividend income from equity investment in subsidiary company	52.27			
Payments for acquisition of property, plant and equipment	(62.74)		(58.59)	
Redemption made in Fixed Deposits	0.42		(2.13)	
Net cash (used in) Investing activities		(80.30)		(225.27)
C. Cash flow from financing activities				
Proceeds from current borrowings	33.56		132.31	
Proceeds from Non current borrowings	-		68.83	
Repayment of non-current borrowings	(4.21)		(21.75)	
Dividends paid to the company shareholders	(73.18)		(67.28)	
Interest paid	(26.75)		(18.49)	
Net cash generated from / (used in) financing activities		(70.58)		93.62
Net Increase / (decrease) in cash and cash equivalents		(10.78)		(0.24)
Cash and cash equivalents at the beginning of the year		23.77		21.81
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		1.44		2.20
Cash and Cash equivalents at the end of the year (Refer Note 12)		14.43		23.77



ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED DECEMBER 31, 2024

(All amounts are in crores in INR unless otherwise stated)

(a) Equity Share Capital

Particulars	Amount
Balance as at April 1, 2023	8.74
Changes in equity share capital during the year	-
Balance as at March 31, 2024	8.74
Changes in equity share capital during the Nine months period	-
Balance as at December 31, 2024	8.74

(b)

Particulars	Reserves & Surplus			Total
	Capital Reserve	General reserve	Retained earnings	
Balance as at April 1, 2023	1.98	295.47	190.56	488.01
2023-24				
Profit for the year	-	-	121.55	121.55
Other comprehensive (loss)/ income for the year			(2.14)	(2.14)
Income Tax on OCI			0.53	0.53
Amount transferred within Reserves	-	51.34	(51.34)	-
Payment of dividends	-	-	(67.28)	(67.28)
Balance as at March 31, 2024	1.98	346.81	191.88	540.67
Period ending December 2024				
Profit for the year			114.99	114.99
Other comprehensive (loss)/ income for the year			(1.10)	(1.10)
Income Tax on OCI			0.29	0.29
Amount transferred within Reserves			-	-
Payment of dividends			(73.18)	(73.18)
Balance as at December 31, 2024	1.98	346.81	232.87	581.66



ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 1

Corporate information

ZF Rane Automotive India Private Limited (The Company) is a Private Limited company incorporated on July, 3, 1987 located in having registered office in Chennai, Tamilnadu

ZF Rane Automotive India Private Limited is a Joint venture with Rane Holding Limited and ZF Automotive JV US LLC. The Company is into manufacturing of hydraulic power steering gears, hydraulic pumps, power-rack and pinion steering gears, airbags and safety seat belt systems catering to the automotive industry at large. The manufacturing locations are in Tamilnadu and Uttarakhand.

Material accounting policies

1.1 Statement of compliances

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act as amended from time to time

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Basis of preparation and presentation

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 take 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 asset or liability, assuming that market participants act in their best economic interest.

As fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by 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 in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level inputs that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices 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 financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.3 Property, plant and equipment

Assets held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost includes direct costs, transportation cost, professional fees and taxes for which input credit is not available.

Depreciable amount for assets is the cost of an asset less its estimated residual value. Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Office Equipment	3 years
Capital tooling	3 years
Vehicles	5 years
Furniture & fixtures	5 years
Solar plant	25 years

Company provides shift factor of 1.5 and 2 if assets were put to use for two and three shift respectively.

Property, Plant and Equipment individually costing Rs. 10000 or less are fully depreciated in the year of capitalization

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the asset and is recognized in profit or loss.



1.4 Investment Property

Investment property is property (land or a building—or part of a building—or both) held by the Company to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property shall be recognized as an asset when, and only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity, and the cost of the investment property can be measured reliably. An investment property shall be measured at its cost less depreciation. Transaction costs shall be included in the initial measurement. An investment property shall be derecognized (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

1.5 Inventories

Inventories are valued at the lower of cost on moving weighted average basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

1.6 Cash & Cash equivalent

For the purpose of presentation in the statement of cash Flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.7 Foreign currency transactions and translations

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

In preparing the financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings,
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

1.8 Revenue recognition

The Company derives revenues primarily from sale of steering gears, pumps and occupant safety products. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount/pricing incentives varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount/pricing incentives is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts/pricing incentives in the period in which the change occurs.

Revenue from services has been recognised as and when the service has been performed.

1.9 Other Income

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).



1.10 Provisions and contingencies

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 amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (ii) Present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

1.11 Taxes on income

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

1.12 Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

Subsequent Measurement:-

Financial assets:-

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets, except for investments forming part of interest in subsidiaries, which are measured at cost.

Classification of financial assets:-

The Company classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(a.) Amortized Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on these assets that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.



(b.) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other income/ (expense).

(c.) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognized in the statement of profit and loss.

"Investment in Subsidiaries are accounted at Cost in separate financial statements".

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivable, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at Fair value through profit or loss.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impairment financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayments, extension, call and similar options) through the expected life of that financial instruments.

The Company measures the loss allowance for the financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on those financial instruments has increased significantly since initial recognition

If the credit risk on financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instruments at an amount equal to 12 months expected credit losses. The twelve months expected credit losses are portion of the lifetime expected credit losses and represents lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the 12 months.

If the Company measured loss allowance for the financial instruments at life time expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instruments instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognitions and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual rights to receive cash or other financial assets that results from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to life time expected credit losses.

Further, for the purposes of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward – looking information.

Derecognition of financial assets

A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

Financial liabilities and equity instruments:-

Classification as equity or financial liability

Equity and Debt instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities at amortized cost

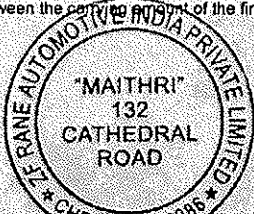
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

Financial liabilities at FVTPL

Liabilities that do not meet the criteria for amortized cost are measured at fair value through profit or loss. A gain or loss on a these assets that is subsequently measured at fair value through profit or loss is recognized in the statement of profit and loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.



1.13 Earnings Per Share

Basic earnings per share is computed by dividing the net profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

1.14 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

1.15 Segment reporting

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. Operating segments are defined as segments of the Company about which separate financial information is available that is evaluated regularly by the chief operating decision-maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

The Company operates in the automotive segment. The automotive segment includes all activities relating to development, design, manufacture, assembly and sale of auto component parts from which the Company derives its revenues. Based on the management analysis, the Company has only one operating segment. The principal geographical area in which the Company operates is India.

1.16 Use of estimates and judgements

The preparation of the Company's 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. This note provides an overview of the areas that involve a higher degree of judgements or complexities and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these judgements, estimates and assumptions is mentioned below.

Judgements, estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The areas involving significant estimates or judgments are :

a Impairment of Financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Contingent liabilities

Management regularly analyzes current information about litigative matters and makes provisions for probable losses including the estimate of legal expense to resolve the matters. In their assessments management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss.

Useful life of assets- Refer note 1.3

a. Measurement of defined benefit obligation: key actuarial assumptions

1.17 Financial and Corporate guarantee contracts

A financial and corporate guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial and corporate guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: - the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and - the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

1.18 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
(All amounts are in crores in INR unless otherwise stated)

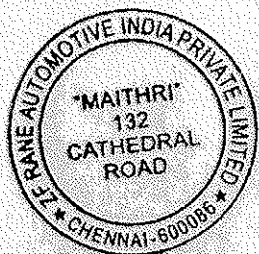
Note 2: Property, Plant and Equipment		
Particulars	As at 31st Dec 2024	As at 31st Mar 2024
Carrying amounts of:		
Freehold land	16.09	16.09
Buildings	91.34	85.12
Plant and equipment	270.34	246.6
Office Equipments	3.60	2.97
Furniture and Fixtures	0.41	0.32
Vehicles	0.57	0.87
Total	382.45	351.97

Note 2A : Investment Property		
Particulars	As at 31st Dec 2024	As at March 31, 2024
Carrying amounts of investment property:		
Land	2.06	2.06
Building	15.72	16.14
Total	17.78	18.20

Note 3: Right to use Assets		
Particulars	As at 31st Dec 2024	As at 31st Mar 2024
Carrying amounts of:		
Leasehold land	6.20	6.41
Other Assets	18.53	13.41
Total	24.73	19.82

Note 4: Other Intangible Assets		
Particulars	As at 31st Dec 2024	As at 31st Mar 2024
Carrying amounts of:		
Software and Licenses	0.93	0.98
	0.93	0.98

Particulars	As at December 31, 2024		As at March 31, 2024	
	No of shares	Rs. in crores	No of shares	Rs. in crores
Un-Quoted Investments in equity instruments (fully paid-up) - Fair Value through Other Comprehensive Income (FVTOCI)				
CIWRE Wind Power Pvt Ltd 948 shares (Previous Year: 948 shares) with face value of Rs 10 each	948	0.00	948	0.00
Capsol Energy Pvt Ltd 10,50,000 shares (Previous Year: 10,50,000 shares) with face value of Rs 10 each	10,50,000	1.05	10,50,000	1.05
Atrai Wind (Kadambur) Private Limited 30000 shares with face value of Rs 10 each	30,000	0.66	30,000	0.66
ShreeMTX Textiles Private Limited 3780 shares (Previous Year: 3780 shares) with face value of Rs 100 each	3,780	1.21	3,780	1.21
Investments in Equity Instruments TRW Sun Steering Wheels Pvt Limited 29,04,039 shares with face value of Rs 10 each	29,04,039	139.20	29,04,039	139.20
Investment in Equity Instruments at Cost:- ZF Rane Occupant Safety Systems Pvt Ltd 3,40,00,000 shares with face value of Rs 10 each	3,40,00,000	34.00	3,40,00,000	34.00
Investment in Equity Instruments at Cost:- ZF Lifelec Rane Automotive India Pvt Ltd 10,000 shares with face value of Rs 10 each	10,000	0.01	-	-
Total Investments	3,79,98,767	176.13	3,79,88,767	176.12
Aggregate value of unquoted investments		176.13		176.12
Aggregate amount of impairment in the value of investment		-		-



ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
(All amounts are in crores in INR unless otherwise stated)

NOTE 6 Loans

Particulars	As at 31st Dec 2024	As at 31st Mar 2024
Loan to Employees	0.56	0.40
Total	0.56	0.40

Note 7 Other Financial Assets

Particulars	As at 31st Dec 2024	As at 31st Mar 2024
Security Deposits	4.17	3.89
Total	4.17	3.89

Note 8 Advance Tax (net)

Particulars	As at 31st Dec 2024	As at 31st Mar 2024
Advance Tax (Net of Tax Provision)	17.50	14.06
	17.50	14.06

Note 9 Other Non-Current Assets

Particulars	As at 31st Dec 2024	As at 31st Mar 2024
Capital Advances	14.14	23.09
	14.14	23.09

Note 10 Inventories

Particulars	As at 31st Dec 2024	As at 31st Mar 2024
a.) Raw Materials and Components	110.51	116.34
Raw Material in Transit	64.60	66.9
Sub Total	175.11	183.24
b.) Work-in-progress	22.21	22.55
c.) Stores & Spares	5.77	8.45
d.) Finished Goods	11.26	10.57
Add: Finished Goods-in-transit	36.08	21.5
Sub Total	47.34	32.07
Total	250.45	246.31



ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
 (All amounts are in crores in INR unless otherwise stated)

Note 11. Trade Receivables

Particulars	As at 31st Dec 2024	As at 31st Mar 2024
Trade Receivables		
Secured, considered good		
Unsecured, considered good	407.33	382.13
Doubtful	0.38	0.81
Allowance for doubtful debts (expected credit loss allowance)	(0.38)	(0.81)
Total	407.33	382.13

Note 12 Cash and cash equivalents

Particulars	As at 31st Dec 2024	As at 31st Mar 2024
(a) Balances with banks (including deposits with original maturity upto 3 months)		
(i) In Current account	11.03	21.36
(ii) In EEFC account	3.39	2.38
(b) Cash on hand	0.01	0.03
Cash and Cash Equivalents as per balance sheet	14.43	23.77

Note 13 Other Bank Balances

Particulars	As at 31st Dec 2024	As at 31st Mar 2024
In other deposit accounts-original maturity more than 3 months	2.72	3.14

NOTE 14. Loans

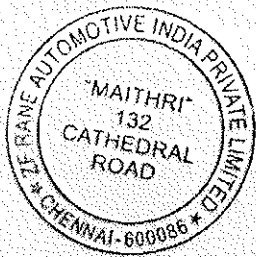
Particulars	As at 31st Dec 2024	As at 31st Mar 2024
Unsecured, considered good, at amortized cost		
a. Loans to related parties	86.80	33.00
b. Loans to Employees	0.79	0.60
	87.59	33.60



ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
 (All amounts are in crores in INR unless otherwise stated)

Note 15 Other Financial Assets		
Particulars	As at 31st Dec 2024	As at 31st Mar 2024
a.) Claims Receivable	1.70	7.99
b.) Rental Advance	0.26	0.78
c.) Tool Development Cost	0.88	2.83
d.) Mark to market Gain	-	-
e.) Duty Drawback receivable	5.83	-
f.) Rodtep receivable	0.69	-
g.) Other receivable	-	1.54
	9.35	13.14

Note 16 Other Current Assets		
Particulars	As at 31st Dec 2024	As at 31st Mar 2024
a.) Balances with Statutory Authorities	25.28	13.47
b.) Advance to Suppliers	12.43	12.81
c.) Travel Advance	(0.00)	0.06
d.) Prepaid Expenses	5.55	5.02
	43.26	31.36



ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
(All amounts are in crores in INR unless otherwise stated)

Note 17 Equity Share Capital

Particulars	As at Dec 31, 2024	As at March 31, 2024
AUTHORISED : Equity Shares: 9,000,000 Equity Shares of Rs.10 each	9.00	9.00
ISSUED : 8,804,000 Equity Shares of Rs.10 each	8.80	8.80
SUBSCRIBED AND FULLY PAID UP : 8,738,246 Equity Shares of Rs.10 each fully paid-up	8.74	8.74

17.1 Reconciliation of number of shares

Particulars	Period Ended 31 Dec 2024		2023-24	
	No of Shares	Amount (Rs. in crores)	No of Shares	Amount (Rs. in crores)
Equity Shares of Re.10 each fully paid up				
At the beginning of the period	87,38,246	8.74	87,38,246	8.74
Issued during the period	-	-	-	-
At the end of the period	87,38,246	8.74	87,38,246	8.74

17.2 Terms / Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

17.3 Details of shares held by each shareholder holding more than 5 percent of equity shares (Promoters) in the company:

Name of the Shareholder	No of shares held as at					
	Dec 31, 2024			March 31, 2024		
	Nos.	%	% Change in shareholding	Nos.	%	% Change in shareholding
Rane Holdings Limited	42,81,740	49%	-	42,81,740	49%	-
ZF Automotive JV US LLC	44,56,506	51%	-	44,56,506	51%	-

Note 18 Other equity

Particulars	As at 31st Dec 2024	As at 31st March 2024
Capital Reserve	1.98	1.98
General Reserve	346.81	346.81
Retained Earnings	232.87	191.88
	581.66	540.67



ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
 (All amounts are in crores in INR unless otherwise stated)

Note 19 Lease Liabilities

Particulars	As at 31st Dec 2024	As at 31st Mar 2024
Lease Obligation	18.42	13.51
Total	18.42	13.51

Note 20 Long Term Borrowings

Particulars	As at 31st Dec 2024	As at 31st Mar 2024
Secured - at amortized cost		
Long Term Loan - Citi Bank	40.33	28.91
Long Term Loan - HDFC Bank	49.20	64.83
Total	89.53	93.74

Note 21 Provisions

Particulars	As at 31st Dec 2024	As at 31st Mar 2024
Provision for Leave salary	12.62	9.62
Total	12.62	9.62

Note 22 Other Non-Current Liabilities

Particulars	As at 31st Dec 2024	As at 31st Mar 2024
Deferred Income	0.21	0.21
Total	0.21	0.21



ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
 (All amounts are in crores in INR unless otherwise stated)

Note 23 Lease Liability

Particulars	As at 31st Dec 2024	As at 31st March 2024
a.) Lease Obligation Current	0.63	0.57
Total	0.63	0.57

Note 24 Current Borrowings

Particulars	As at 31st Dec 2024	As at 31st March 2024
Secured - at amortised cost from Bank		
a.) Demand Loan	48.32	5.00
b.) Packing Credit	188.97	185.62
c.) Current maturities of Long term Borrowings	31.63	32.15
Unsecured - at amortised cost from Bank		
a.) Factoring	109.27	116.92
b.) Bills Discounting- Local	1.21	6.14
Total	379.39	345.83

Note 25 Trade Payables

Particulars	As at 31st Dec 2024	As at 31st March 2024
Trade payables	324.49	296.52
Total	324.49	296.52

Note 26 Other financial liabilities

Particulars	As at 31st Dec 2024	As at 31st March 2024
a.) Salaries Payable	1.29	0.79
b.) Contribution to Provident & Other funds	-	0.9
c.) Superannuation Payables	0.03	-
d.) Payable on Purchase of Fixed Assets	15.41	13.55
e.) MTM on Forward Contract	1.22	0.26
f.) Other Payables	2.17	2.09
g.) Retention Money	4.63	-
h.) Provision for Bonus & Others	0.60	-
i.) Bonus Payables	-	1.68
Total	25.35	19.27

Note 27 - Provisions

Particulars	As at 31st Dec 2024	As at 31st March 2024
Provision for employee benefit expenses	1.32	1.12
Provision for Warranty	11.21	11.52
Total	12.53	12.64

Note 28 Other Current liabilities

Particulars	As at 31st Dec 2024	As at 31st March 2024
a.) Tooling Advance Received from Customer	4.86	7.47
b.) Statutory Remittances	21.97	7.38
c.) Deferred Income	0.01	0.03
d.) Gratuity Payable	4.54	0.74
e.) Other Payables	(1.72)	-
f.) Contribution to Provident & Other funds	0.32	-
Total	29.98	15.62



ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
(All amounts are in crores in INR unless otherwise stated)

NOTE 29 Revenue from operations	9 months ended Dec 31, 2024	Year ended March 31, 2024
(a) Sales of Products	1,465.55	2,015.95
(c) Other operating revenues	-	-
- Export Incentives	30.35	43.63
- Scrap sales	13.01	18.09
- Service charges collected from the customers	0.28	2.24
	1,509.19	2,079.91

Note 30 Other Income	9 months ended Dec 31, 2024	Year ended March 31, 2024
(a) Interest income earned on financial assets that are not designated as at fair value through profit or loss		
-- On bank deposits (at amortised cost)	0.08	0.06
-- On Other Deposits	3.48	1.75
(b) Dividend Income	52.27	
(c) Gain / (loss) on disposal of property, plant and equipment	0.25	12.98
(d.) Capital Subsidy	-	
(e.) Miscellaneous Income	5.23	5.98
(f.) Provision no longer required written back	(0.03)	0.04
(g) Profit on sale of mutual fund units	-	1.59
	61.28	22.40

Note 31 Cost of Materials Consumed	9 months ended Dec 31, 2024	Year ended March 31, 2024
Consumption of Raw Materials	1,032.02	1,436.38

Note 32 Employee Benefit expense	9 months ended Dec 31, 2024	Year ended March 31, 2024
(a) Salaries, Wages and Bonus	135.01	176.37
(b) Contribution to Provident and Other Funds	8.46	13.05
(c) Staff Welfare Expenses	7.85	10.62
	151.33	200.04

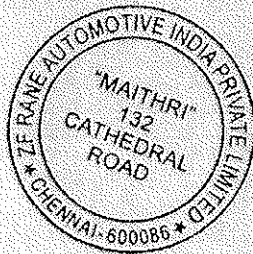
Note 33 Finance Cost	9 months ended Dec 31, 2024	Year ended March 31, 2024
a) Interest on CC & Buyers Credit	26.75	19.00
Total	26.75	19.00

Note 34 Depreciation and amortisation expense	9 months ended Dec 31, 2024	Year ended March 31, 2024
Depreciation on Property, plant and equipment	44.30	55.61
Amortisation of Intangible assets	1.13	0.33
Total depreciation and amortisation expense	45.43	55.94



ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
(All amounts are in crores in INR unless otherwise stated)

Note 35 Other Expenses	9 months ended Dec 31, 2024	Year ended March 31, 2024
(a) Power and Fuel	18.97	27.77
(b) Rent expense	2.00	1.32
(c) Travelling and Conveyance	3.87	6.38
(d) Repairs and Maintenance		
- Buildings	3.03	4.52
- Plant and Machinery	6.70	9.24
- Others	2.92	2.64
(e) Insurance	5.16	6.10
(f) Rates and Taxes, excluding taxes on income	1.21	1.89
(g) Packing, Despatching and Freight	40.54	57.93
(h) Administration Expenses	13.50	-
(i) Warranty	5.35	5.13
(j) CSR expenditure and Donations	1.92	1.56
(k) Audit Fees	0.34	0.24
(l) Royalty & Technical Know-how	7.71	16.78
(m) Trade Mark Fees	17.30	25.37
(n) Job Work & Sub contracting Charges	9.37	-
(o) Provision for Doubtful Debts and Advances	(0.45)	-
(p) Marketing & Selling Expenses	3.47	1.77
(q) Information system	2.30	5.38
(r) Printing & Stationary	0.34	0.79
(s) Professional charges	4.85	17.56
(t) Postage & Telegram	0.52	0.88
(u) Miscellaneous	(1.78)	6.08
(v) Exchange Fluctuation loss (net)	2.49	0.91
(w) Consumption of stores and spares	20.71	30.88
(x) Bank Charges	0.56	0.9
(y) Variable ED&T	5.43	-
	178.35	232.02



ZF LIFETEC RANE AUTOMOTIVE INDIA PVT LTD

CIN : U29302TN2024PTC171639


Registered Office Address : Maithri - 132 Cathedral Road Chennai - 600028

UNAUDITED BALANCE SHEET AS AT 31st DECEMBER 2024

(All amounts are in INR unless otherwise stated)

S. No	Particulars	Note No	As at December 31, 2024
A.	ASSETS		
I	Non-Current Assets		-
II	Current Assets		
	(a) Financial Assets		
	(i) Cash and Cash Equivalents	2	63,819
	Total current assets		63,819
	TOTAL ASSETS		63,819
B.	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity Share Capital	3	1,00,000
	(b) Other Equity	4	(36,181)
	Total equity		63,819
	Liabilities		
II	Non-Current Liabilities		-
III	Current Liabilities		-
	Total Liabilities		-
	TOTAL EQUITY AND LIABILITIES		63,819
	See accompanying notes forming part of the Financial Statements	1 to 6	

For ZF LIFETEC RANE AUTOMOTIVE INDIA PVT LTD


Balakrishnan Ayyappan
Chairman and Nominee Director
DIN: 10566149


S Senthilnathan
Nominee Director
DIN: 09642457

Place: Chennai
Date: January 20, 2025

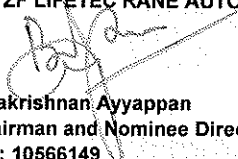


ZF LIFETEC RANE AUTOMOTIVE INDIA PVT LTD
 CIN : U29302TN2024PTC171639
 Registered Office Address : Maithri - 132 Cathedral Road Chennai - 600028

UNAUDITED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM JULY 04, 2024 TO DECEMBER 31, 2024
 (All amounts are in INR unless otherwise stated)

S.No	Particulars	Note No.	Period ended December 31, 2024
I (a)	Revenues from Operations		-
I (b)	Other Income		-
	Total Income (I)		-
II	Expenses:		
	Other expenses	5	36,181
	Total Expenses (II)		36,181
III	Profit before tax (I-II)		(36,181)
IV	Tax Expense:		-
V	Loss for the year (III-IV)		(36,181)
VI	Other Comprehensive Income/(Loss)		-
VII	Total Comprehensive Income for the period (V+ VI)		(36,181)
VIII	Loss Per Equity Share (Face value of Rs 10 each)	6	
	Basic (In Rs.)		(5.43)
	Diluted (In Rs.)		(5.43)
	See accompanying notes forming part of the Financial Statements	1 to 6	

For ZF LIFETEC RANE AUTOMOTIVE INDIA PVT LTD


 Balakrishnan Ayyappan
 Chairman and Nominee Director
 DIN: 10566149


 S Senthilnathan
 Nominee Director
 DIN: 09642457


Place: Chennai
 Date: January 20, 2025




ZF LIFETEC RANE AUTOMOTIVE INDIA PVT LTD
UNAUDITED CASH FLOW STATEMENT FOR THE PERIOD FROM JULY 04, 2024 TO DEC 31, 2024
(All amounts are in INR unless otherwise stated)

Particulars	For the period ended Dec 31, 2024
A. Cash flow from operating activities	
Loss Before Tax	(36,181)
	-
Cash (used in) Operations	(36,181)
Income Tax paid	-
Net cash (used in) operating activities	(36,181)
B. Cash flow from investing activities	-
C. Cash flow from financing activities	
Proceeds from Issue of equity shares of Rs 10 each fully paid up	1,00,000
Net cash generated / (used in) from financing activities	1,00,000
Net increase / (decrease) in cash and cash equivalents	63,819
Cash and cash equivalents at the beginning of the period	-
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-
Cash and Cash equivalents at the end of the period (Refer Note 2)	63,819
See accompanying notes forming part of the Financial Statements	

For ZF LIFETEC RANE AUTOMOTIVE INDIA PVT LTD


Balakrishnan Ayyappan
Chairman and Nominee Director
DIN: 10566149


S Senthilnathan
Nominee Director
DIN: 09642457

Place: Chennai
Date: January 20, 2025



ZF LIFETEC RANE AUTOMOTIVE INDIA PVT LTD
UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DEC 31, 2024
 (All amounts are in INR unless otherwise stated)

(a) Equity Share Capital

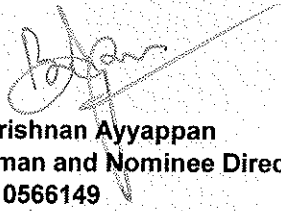
Particulars	Total
Issued during the period	1,00,000
Balance as at Dec 31, 2024	1,00,000

(b) Other Equity

Particulars	Reserves & Surplus	Total
	Retained earnings	
Loss for the period	(36,181)	(36,181)
Balance as at Dec 31, 2024	(36,181)	(36,181)

See accompanying notes forming part of the Financial Statements

For ZF LIFETEC RANE AUTOMOTIVE INDIA PVT LTD


Balakrishnan Ayyappan
 Chairman and Nominee Director
 DIN: 10566149


S Senthilnathan
 Nominee Director
 DIN: 09642457

Place: Chennai
 Date: January 20, 2025



ZF LIFETEC RANE AUTOMOTIVE INDIA PVT LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1

Corporate information

ZF Lifetec Rane Automotive India Private Limited ("Company") registered under Companies Act 2013, incorporated on 4th July 2024, having registered office in Chennai, Tamilnadu, is the 100% subsidiary of the ZF Rane Automotive India Private Limited.

The main objects of the company is to manufacture, sell or otherwise deal primarily in occupant safety systems and equipment including but not to the exclusion of seat belts, seat webbings, airbags, airbag modules, inflators, crash sensors safety electronic systems, assemblies, steering wheels, door trims, related parts, applications components and any other high-precision components for automotive industry

Significant accounting policies

1.1 Statement of compliances

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act as amended from time to time

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 take 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 asset or liability, assuming that market participants act in their best economic interest.

As fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by 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 in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level inputs that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices 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 financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

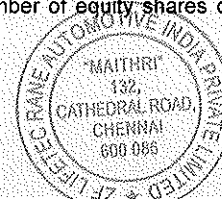
1.3 Cash & Cash equivalent

For the purpose of presentation in the statement of cash Flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

1.4 Earnings Per Share

Basic earnings per share is computed by dividing the net profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.



ZF LIFETEC RANE AUTOMOTIVE INDIA PVT LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
 (All amounts are in INR unless otherwise stated)

Note 2: Cash & cash equivalents

Particulars	As at 31 Dec 2024
(a) Balances with banks	
(i) In Current account - HDFC	63,819

Note 3 Equity Share Capital

Particulars	As at 31 Dec 2024
AUTHORISED :	
Equity Shares:	
1,00,000 Equity Shares of Rs.10 each	10,00,000
ISSUED :	
10,000 Equity Shares of Rs.10 each	1,00,000
SUBSCRIBED AND FULLY PAID UP :	
10,000 Equity Shares of Rs.10 each	1,00,000

3.1 Reconciliation of number of shares	As at 31 Dec 2024	
Equity Shares of Re.10 each fully paid up	No of Shares	Amount
At the beginning of the year	-	-
Issued during the year	10,000	1,00,000
At the end of the year	10,000	1,00,000

3.2 Terms / Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

3.3 Details of shares held by each shareholder holding more than 5 percent of equity shares (Promoters) in the company:

Name of the Share holder	As at 31 Dec 2024	
	No of Shares held	%
ZF Rane Automotive India Private Limited	10,000	100%

Note 4 Other equity

Particulars	As at 31 Dec 2024
(a) Retained Earnings	(36,181)
Total Other Equity	(36,181)

Particulars	As at 31 Dec 2024
(a) Retained Earnings	
Balance at the beginning of the period	-
Loss attributable to the owners of the company	(36,181)
Balance at the end of the period	(36,181)

Note 5 Other Expenses

Particulars	As at 31 Dec 2024
NSDL Charges	36,058
Bank Charges	123
Total Other Expense	36,181



ZF LIFETEC RANE AUTOMOTIVE INDIA PVT LTD
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
 (All amounts are in INR unless otherwise stated)

6 Earnings per Share:

Particulars	Period ended Dec 31, 2024
Basic Loss per share	(5.43)
Diluted Loss per share	(5.43)

Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Period ended Dec 31, 2024
Loss for the year attributable to owners of the Company	(36,181)
Loss used in the calculation of basic earnings per share	(36,181)

Particulars	Period ended Dec 31, 2024
(a) Number of equity Shares of Rs.10 each outstanding at the end of the period	10,000
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	6,667

Diluted Earnings per share

The earnings used in the calculation of diluted earnings per share as follows.

Particulars	Period ended Dec 31, 2024
Loss for the year attributable to owners of the Company	(36,181)
Loss used in the calculation of diluted earnings per share	(36,181)

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Period ended Dec 31, 2024
Weighted average number of equity shares used in the calculation of basic earnings per share	6,667
Weighted average number of equity shares used in the calculation of diluted earnings per share	6,667



ZF Rane Automotive India Private Limited

(Formerly known as Rane TRW Steering Systems Pvt. Ltd)



Regd. Office:

'Maithri', 132, Cathedral Road,
Chennai - 600 086, India.

CIN: U35999TN1987PTCO14600

Tel : +94-44-2811 2472

URL : www.ranegroup.com

REPORT ADOPTED BY THE BOARD OF DIRECTORS ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED AT ITS MEETING HELD ON THURSDAY, DECEMBER 19, 2024 THROUGH ELECTRONIC MODE EXPLAINING THE EFFECT OF THE DRAFT SCHEME OF ARRANGEMENT BETWEEN ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED AND ZF LIFETEC RANE AUTOMOTIVE INDIA PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ON ITS EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

Present:

S. No.	Name of Directors	Designation
1.	Harish Lakshman	Chairman & Managing Director
2.	L Ganesh	Nominee Director
3.	P Kaniappan	Nominee Director
4.	Ulf Loleit	Nominee Director
5.	Michael Ebenhoch	Nominee Director
6.	Theodor Bernhard Kaster	Nominee Director

1. Background

- 1.1. The Board of Directors of ZF Rane Automotive India Private Limited ("Board") at its meeting held on Thursday, December 19, 2024, have approved the Scheme of Arrangement between ZF Rane Automotive India Private Limited ("Demerged Company" or "Company") and ZF Lifetec Rane Automotive India Private Limited ("Resulting Company") and their respective shareholders ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act").
- 1.2. Pursuant to Section 232(2)(c) of the Act, the Board of the Company is required to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Company laying out in particular the share entitlement ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4. The Scheme is presented under Sections 230 to 232 and other applicable provisions of the Act and provides for the following:
 - (i) demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Demerged Company into the Resulting Company on a going concern basis and issue of equity shares by the Resulting Company to the shareholders of the Demerged Company, in consideration thereof, in accordance with the provisions of Section 2(19AA) of the Income-tax Act (as defined in the Scheme); and
 - (ii) reduction and cancellation of the entire pre-scheme share capital of the Resulting Company held by the Demerged Company.

1.5. The following documents were, *inter alia*, placed before the Board, duly initialled by the Director of the Company for the purpose of identification:

- (a) Draft Scheme;
- (b) Share Entitlement Ratio Report dated December 19, 2024 issued by M/s. PwC Business Consulting Services LLP, Registered Valuer (Registration No. IBBI/RV-E/02/2022/158) ("**Share Entitlement Ratio Report**"), describing the methodology adopted by them in arriving at the share entitlement ratio; and
- (c) Certificate dated December 19, 2024, issued by M/s. MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W), the Statutory Auditors of the Company, confirming the accounting treatment in the prescribed manner in the Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act and other generally accepted accounting principles.

2. Need for the Scheme

- a) The Management(s) of the Participating Companies are of the view that the demerger would enhance the overall strategy for the optimum running, growth and development.
- b) This demerger would result in creation of two separate robust entities viz., the Demerged Company and the Resulting Company focussing exclusively on Steering Gear Division (SGD) and Occupant Safety Division (OSD) businesses respectively.

3. Rationale for the Scheme

3.3.1. Part II of the Scheme which deals with the Arrangement of the Demerged Company and the Resulting Company. The proposed scheme would be in best interest of the Companies and their respective Shareholders and Creditors as the proposed reorganization pursuant to this Scheme is expected, *inter alia*, to yield advantages as set out below:

3.3.1.1. The Demerged Company is engaged in the business of *inter-alia* manufacturing of hydraulic power steering gears, hydraulic pumps, power-rack and pinion steering gears, airbags and safety seat belt systems catering to the automotive industry and the Resulting Company is dealing in occupant safety systems and equipments, and other high precision components, for the automotive industry in at large.

3.3.1.2. Demerger would offer opportunities to the management of the Demerged Company and Resulting Company to vigorously pursue growth and expansion opportunities for each business separately.

3.3.1.3. It would provide better flexibility in accessing capital, focused strategy and specialisation for sustained growth and thereby enable de-leveraging of the respective divisions in the longer-term.

3.3.1.4. focused management approach for pursuing the growth in the respective business' verticals and de-risk the businesses from each other.

3.3.2. The Management of the respective Participating Companies are of the view that this Scheme is in the best interest of the shareholders, creditors and other stakeholders of the respective Participating Companies.

4. Share Entitlement Ratio Report | Share Entitlement Ratio

4.1. The share entitlement ratio for issue of consideration pursuant to Part II of the Scheme is as follows:

"1 (One) equity share of INR 10 (Indian Rupees Ten) each of the Resulting Company, credited as fully paid up, for every 1 (One) equity share fully paid up of INR 10 (Indian Rupees Ten) each of the Demerged Company held by such shareholder."

The Share Entitlement Ratio Report has been duly considered by the Board, and the Board has come to the conclusion that the share entitlement ratio specified in the Scheme is fair and reasonable.

4.2. The Resulting Company New Equity Shares (*as defined in the Scheme*) shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company, as the case may be, and shall rank *pari passu* in all respects with any existing equity shares of Resulting Company, as the case may be, after the Effective Date (*as defined in the Scheme*) including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Resulting Company.

4.3. Upon allotment of the Resulting Company New Equity Shares, the entire pre-scheme paid up share capital of the Resulting Company shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme itself.

4.4. No special valuation difficulties were reported.

5. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company

5.1. The existing paid-up equity share capital of the Company shall not change, pursuant to the Scheme;

5.2. In consideration for the transfer and vesting of the Demerged Undertaking of the Company to the Resulting Company, all the equity shareholders (promoter and non-promoter) of the Company, as on the Effective Date (*as defined in the Scheme*) shall receive equity shares of the Resulting Company in the same proportion as their holding in the Company; and

5.3. As on the date of this Report, the Company has no other class of shareholders.

6. Effect of the Scheme on the Directors / KMPs of the Company

None of the Directors / KMPs of the Company have any interest in the Scheme except to the extent of the equity shares held by them, if any, in the Company. There is no impact of the Scheme on the Directors / KMPs of the Company.

7. Effect of the Scheme on the Creditors of the Company

There is no impact of the Draft Scheme on creditors of the Company as the Scheme does not envisage any arrangement with creditors.


8. Adoption of the Report by the Board

Board of Directors of the Company have adopted this Report after noting and considering the information set forth in this Report and documents placed before the Board.

In the opinion of the Board, Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders.

By Order of the Board of Directors

For and on Behalf of ZF Rane Automotive India Private Limited



Name: Harish Lakshman
Designation: Chairman & Managing Director
DIN: 00012602

Place: Chennai
Date: December 19, 2024

REPORT ADOPTED BY THE BOARD OF DIRECTORS ZF LIFETEC RANE AUTOMOTIVE INDIA PRIVATE LIMITED AT ITS MEETING HELD ON THURSDAY, DECEMBER 19, 2024 THROUGH ELECTRONIC MODE EXPLAINING THE EFFECT OF THE DRAFT SCHEME OF ARRANGEMENT BETWEEN ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED AND ZF LIFETEC RANE AUTOMOTIVE INDIA PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ON ITS EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON - PROMOTER SHAREHOLDERS

Present:

S. No.	Name of Directors	Designation
1.	Balakrishnan Ayyappan	Chairman
2.	Senthilnathan	Nominee Director

1. Background

- 1.1. The Board of Directors of ZF Lifetec Rane Automotive India Private Limited ("**Board**") at its meeting held on Thursday, December 19, 2024, have approved the Scheme of Arrangement between ZF Rane Automotive India Private Limited ("**Demerged Company**") and ZF Lifetec Rane Automotive India Private Limited ("**Resulting Company**" or "**Company**") and their respective shareholders ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**").
- 1.2. Pursuant to Section 232(2)(c) of the Act, the Board of the Company is required to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel ("**KMPs**"), promoters and non-promoter shareholders of the Company laying out in particular the share entitlement ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4. The Scheme is presented under Sections 230 to 232 and other applicable provisions of the Act and provides for the following:
 - (i) demerger, transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) from the Demerged Company into the Resulting Company on a *going concern* basis and issue of equity shares by the Resulting Company to the shareholders of the Demerged Company, in consideration thereof, in accordance with the provisions of Section 2(19AA) of the Income-tax Act (*as defined in the Scheme*); and
 - (ii) reduction and cancellation of the entire pre-scheme share capital of the Resulting Company held by the Demerged Company.
- 1.5. The following documents were, *inter alia*, placed before the Board, duly initialed by the Director of the Company for the purpose of identification:
 - (a) Draft Scheme;

- (b) Share Entitlement Ratio Report dated December 19, 2024 issued by M/s. PwC Business Consulting Services LLP, Registered Valuer (Registration No. IBBI/RV-E/02/2022/158), ("**Share Entitlement Ratio Report**"), describing the methodology adopted by them in arriving at the share entitlement ratio; and
- (c) Certificate dated December 19, 2024, issued by M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W/E300004), the Statutory Auditors of the Company, confirming the accounting treatment in the prescribed manner in the Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act and other generally accepted accounting principles.

2. Need for the Scheme

- a) The Management(s) of the Participating Companies are of the view that the demerger would enhance the overall strategy for the optimum running, growth and development.
- b) This demerger would result in creation of two separate robust entities viz., the Demerged Company and the Resulting Company focussing exclusively on Steering Gear Division (SGD) and Occupant Safety Division (OSD) businesses respectively.

3. Rationale for the Scheme

3.3.1. Part II of the Scheme which deals with the Arrangement of the Demerged Company and the Resulting Company. The proposed scheme would be in best interest of the Companies and their respective Shareholders and Creditors as the proposed reorganization pursuant to this Scheme is expected, inter alia, to yield advantages as set out below:

- 3.3.1.1. The Demerged Company is engaged in the business of inter-alia manufacturing of hydraulic power steering gears, hydraulic pumps, power-rack and pinion steering gears, airbags and safety seat belt systems catering to the automotive industry and the Resulting Company is dealing in occupant safety systems and equipments', and other high precision components, for the automotive industry in at large.
- 3.3.1.2. Demerger would offer opportunities to the management of the Demerged Company and Resulting Company to vigorously pursue growth and expansion opportunities for each business separately.
- 3.3.1.3. It would provide better flexibility in accessing capital, focused strategy and specialisation for sustained growth and thereby enable de-leveraging of the respective divisions in the longer-term.
- 3.3.1.4. focused management approach for pursuing the growth in the respective business' verticals and de-risk the businesses from each other.

3.3.2. The Management of the respective Participating Companies are of the view that this Scheme is in the best interest of the shareholders, creditors and other stakeholders of the respective Participating Companies.

4. Share Entitlement Ratio Report | Share Entitlement Ratio

4.1. The share entitlement ratio for issue of consideration pursuant to Part II of the Scheme is as follows:

"1 (One) equity share of INR 10 (Indian Rupees Ten) each of the Resulting Company, credited as fully paid up, for every 1 (One) equity share fully paid up of INR 10 (Indian Rupees Ten) each of the Demerged Company held by such shareholder."

The Share Entitlement Ratio Report has been duly considered by the Board, and the Board has come to the conclusion that the share entitlement ratio specified in the Scheme is fair and reasonable.

4.2. The Resulting Company New Equity Shares (*as defined in the Scheme*) shall be subject to the provisions of the memorandum of association and articles of association of Company, as the case may be, and shall rank *pari passu* in all respects with any existing equity shares of Company, as the case may be, after the Effective Date (*as defined in the Scheme*) including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Company.

4.3. Upon allotment of the Resulting Company New Equity Shares, the entire pre-scheme paid up share capital of the Resulting Company shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme itself.

4.4. No special valuation difficulties were reported.

5. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company

5.1. The existing paid-up equity share capital of the Company shall stand cancelled and reduced on new shares being issued to the shareholders of the Demerged Company; and

5.2. Pursuant to the Scheme, all the equity shareholders (promoter and non-promoter) of the Demerged Company, as on the Effective Date (*as defined in the Scheme*) shall receive equity shares of the Company in the same proportion as their holding in the Demerged Company;

5.3. As on the date of this Report, the Company has no other class of shareholders.

6. Effect of the Scheme on the Directors / KMPs of the Company

There are no KMPs of the Company as on the date of this Report. There shall be no effect of the Scheme on Directors / KMPs of the Company, if any, as on the Effective Date of the Scheme, pursuant to the Scheme.

7. Effect of the Scheme on the Creditors of the Company

There is no impact of the Draft Scheme on creditors of the Company as the Scheme does not envisage any arrangement with creditors.

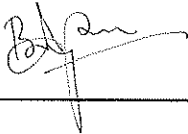
8. Adoption of the Report by the Board

Board of Directors of the Company have adopted this Report after noting and considering the information set forth in this Report and documents placed before the Board.

In the opinion of the Board, Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders.

By Order of the Board of Directors

For and on Behalf of **ZF Lifetec Rane Automotive India Private Limited**



Name: Balakrishnan Ayyappan
Chairman
DIN: 10566149

Place: Chennai
Date: December 19, 2024



Private and Confidential

19 December 2024

Board of Directors
ZF Rane Automotive India Private Limited
Maithri, 132, Cathedral Road,
Gopalapuram,
Chennai – 600 086

Board of Directors
ZF Lifetec Rane Automotive India Private Limited
Maithri, 132, Cathedral Road,
Gopalapuram,
Chennai – 600 086

Dear Sir/Madam,

Opinion on share entitlement ratio for the proposed demerger of Occupant Safety Division (“OSD”) business segment of ZF Rane Automotive India Private Limited

1 CONTEXT AND PURPOSE

- 1.1 We refer to the engagement letter dated 16 December 2024 (along with attached Terms of Business), wherein you have appointed PwC Business Consulting Services LLP (“PwC BCS LLP”/ “us”) to opine on the reasonableness of the share entitlement ratio proposed by the management (“Management”) of ZF Rane Automotive India Private Limited (“ZRAI” or “Company”), in connection with the proposed demerger of OSD business segment (also referred to as “Specified Segment”) of ZRAI into ZF Lifetec Rane Automotive India Private Limited (“Resulting Company” or “ZLRAI”) (ZRAI and ZLRAI are hereinafter individually referred to as ‘Client’ and collectively referred to as “Clients”) (“Proposed Transaction” or “Proposed Demerger”), with the Appointed Date to be determined on a future date for the purposes of the Companies Act, 2013.
- 1.2 Share entitlement ratio is defined as the number of equity shares of Resulting Company to which a shareholder of ZRAI would be entitled to, in proportion to its existing shareholding in ZRAI.
- 1.3 This report is our deliverable for the above engagement. This report is subject to the caveats detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

2 BACKGROUND

- 2.1 ZF Rane Automotive India Private Limited incorporated in 1987 and based in Chennai, Tamil Nadu, India, is engaged in the manufacture of hydraulic power steering gears, hydraulic pumps, power-rack and pinion steering gears, airbags and safety seat belt systems for the automotive industry. The business operations of ZRAI comprises two divisions – a) Steering Gear Division (“SGD”) and b) Occupant Safety Division (“OSD”).

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Bangalore – 560 008
T: +91 (80) 40796000, F: +91 (80) 40796222, www.pwc.in*

LLPIN : AAO-9288 Registered with limited liability.
Registered Office : 11-A, Sucheta Bhawan, 1st Floor, Vishnu Digambar Marg, New Delhi, 110 002.



As discussed above, OSD business segment manufactures and supplies safety seat belts and airbags to original equipment manufacturers in India and overseas markets. In addition to operations carried out through ZRAI, the OSD business segment is also carried out through wholly owned subsidiaries namely, TRW Sun Steering Wheels Private Limited ("TRWSS") and ZF Rane Occupant Safety Systems Private Limited ("ZROS"). Specified Segment comprises both the OSD business segment's operations in ZRAI as well as the operations carried out through TRWSS and ZROS. Balance sheet of Specified Segment as on 30 November 2024 is presented in Annexure 1.

- 2.2 We understand that the total number of equity shares in ZRAI, as at 30 November 2024, is ~8.74 million¹. The shareholding of ZRAI, as at 30 November 2024¹, is summarised below:

Shareholder	No. of Shares	% Holding
ZF Automotive JV US LLC	4,456,506	~51%
Rane Holding Limited	4,281,740	~49%

- 2.3 As per the draft scheme of arrangement provided to us ("Scheme")², Resulting Company was incorporated on 04 July 2024 in Chennai, Tamil Nadu, India, as a wholly owned subsidiary of ZRAI. We have been informed by Management that Resulting Company does not have any operations as on date. The shareholding of ZLRAI, as at 30 November 2024, is summarised below:

Shareholder	No. of Shares	% Holding
ZF Rane Automotive India Private Limited	9,999	~99.99%
Subha Shree Sridharan	1	~0.01%

- 2.4 As per the Scheme, the OSD business segment of ZRAI is proposed to be demerged into Resulting Company, as at the Appointed Date.

- 2.5 As per Management and the Scheme, the primary objectives for the Proposed Demerger include:

- Increased focus by ZRAI and Resulting Company on their respective business segments; and
- Unlocking of value for shareholders with respect to both the business segments.

- 2.6 As per the Scheme provided to us and based on discussions with Management, we understand that upon the Proposed Demerger, and the associated transfer and vesting of the Specified Segment into the Resulting Company, shares in the Resulting Company will be issued to shareholders of ZRAI, and the existing shareholding of ZRAI in the Resulting Company shall stand cancelled, such that Resulting Company and ZRAI will have mirror shareholding upon such issue of new shares and cancellation of the existing shareholding.

3 SOURCES OF INFORMATION AND PROCEDURES

The procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including, but not necessarily limited to the following:

- Perusal of the statement of assets and liabilities of ZRAI as at 30 November 2024, based on the unaudited financial statements for the period ended 30 November 2024;
- Consideration of the shareholding pattern of ZRAI as at 30 November 2024;
- Management inputs with respect to the share capital and shareholding pattern of ZLRAI as at 30 November 2024;

¹ Source: ZF Rane Automotive India Private Limited unaudited financial statements as at 30 November 2024

² Provided to us via email dated 11 December 2024



- Consideration of Management's inputs and representations relating to the share entitlement ratio;
- Discussions with Management; and
- Such other analysis, reviews and inquiries, as we considered necessary.

The Client has been provided with the opportunity to review the draft report as part of our standard practice to make sure that factual accuracies / omissions are avoided in our final report.

4 CAVEATS

- 4.1 Provision of opinions on valuations/ share entitlement ratio and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or PwC network firms.
- 4.2 This report, its contents and the results herein are specific to (i) the purpose agreed as per the terms of our engagement; (ii) the date of this report and (iii) are based on the balance sheet of ZRAI as at 30 November 2024 and other information provided by Management.
- 4.3 An analysis of this nature is necessarily based on the prevailing, financial, economic, industry and other conditions in general and the information made available to us as till the date of this report. Events (including, but not limited to, any change in shareholding) occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.
- 4.4 The recommendation rendered in this report, shall be considered to be in the nature of non-binding advice (our opinion will not be used for advising anybody to take a buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the determination of a share entitlement ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single share entitlement ratio. The final responsibility for the determination of the share entitlement ratio at which the Transaction shall take place will be with the Board of Directors who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.
- 4.5 During the course of our engagement, we were provided with both written and verbal information, including financial and operating data. In terms of our engagement, we have assumed and relied upon, without independent verification, the accuracy and completeness of information available to us by Management. We have not carried out any independent technical valuation or appraisal or due diligence of the assets or liabilities of ZRAI and Resulting Company. We are not advisors with respect to legal, tax and regulatory matters for the Proposed Transaction. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financial statements. We assume no responsibility for such information.
- 4.6 Our conclusions are based on the assumptions and information given by/ on behalf of the Clients. The management(s) of the Clients have indicated to us that they have understood that any material omissions, inaccuracies, or misstatements may materially affect our analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by/ on behalf of the Clients (or their representatives) and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by/ on behalf of the Clients (or their representatives). However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that



we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

- 4.7 In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or wilful default on part of the Clients, their directors, employees, or agents. In no circumstances shall the liability of PwC BCS LLP, its partners, its directors, or employees, relating to the services provided in connection with the engagement set out in this report, exceed the amount paid to PwC BCS LLP in respect of the fees charged by it for these services.
- 4.8 The report assumes that ZRAI and Resulting Company comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that these companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/ unaudited balance sheet of ZRAI and Resulting Company. Our conclusion of value assumes that the assets and liabilities of ZRAI and Resulting Company, reflected in their respective latest balance sheets are not materially different as of the report date.
- 4.9 The report does not address the relative merits of the Proposed Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 4.10 We have carried out valuation in accordance with the principles laid in International Valuation Standards.
- 4.11 The fee for the engagement is not contingent upon the results reported.
- 4.12 We owe responsibility to only the Board of Directors of the Clients that have appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Client. It is understood that this analysis does not represent a fairness opinion. The report is not a substitute for the third party's own due diligence / appraisal / enquiries / independent advice that the third party should undertake for his purpose.
- 4.13 This report is subject to the laws of India.
- 4.14 Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, without our prior written consent other than in connection with the Proposed Transaction. In addition, we express no opinion or recommendation as to how the shareholders/ creditors of either ZRAI or Resulting Company should vote at any shareholders'/ creditors' meeting(s) to be held in connection with the Proposed Transaction.
- 4.15 Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.
- 4.16 We have relied upon the information, data and explanations detailed in paragraphs 2 and 3 above, for the purpose of opining on the share entitlement ratio of the equity shares of Resulting Company to be issued to the shareholders of ZRAI in connection with the Proposed Demerger.
- 4.17 For the purpose of opining on the share entitlement ratio, we have made no investigation of, and assume no responsibility for the title to, or liabilities against, the equity of ZRAI and Resulting Company. Our conclusion assumes that the assets and liabilities of ZRAI and the



Specified Segment reflected in their respective latest balance sheets, as provided to us, remain intact as of the report date.

- 4.18 Since the share entitlement ratio is essentially based on the information provided, for which ZRAI accepts full and sole responsibility, and our review and analysis have been limited to the above-mentioned procedures, our analysis is subject to this limitation. Our reliance and use of this information should not be considered as an expression of our opinion on it, and we do not and will not accept any responsibility or liability for the impact of any inaccuracies in it.
- 4.19 Our scope of work involves opining on the reasonableness of the share entitlement ratio; however the decision to proceed with the Proposed Demerger as well as the acceptance of the final share entitlement ratio depends on the Board of Directors, which will be responsible for the decisions associated with the determination of the share entitlement ratio and factors other than PwC BCS LLP's work will need to be taken into account in determining the same; these will include your own assessment and may include the input of other professional advisors.

5 BASIS OF SHARE ENTITLEMENT RATIO

- 5.1 We understand that in consideration for the Proposed Demerger of Specified Segment of ZRAI into ZLRAI, the share entitlement ratio proposed in the Scheme is 1 equity share in ZLRAI (of INR 10/- each fully paid up) for every 1 equity share held in ZRAI (of INR 10/- each fully paid up).
- 5.2 Since the shares are being issued to both the shareholders of ZRAI in the above ratio and the existing shareholding in ZLRAI by ZRAI would get cancelled as per the Scheme, both shareholders of ZRAI would, upon Proposed Demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio (inter se) as they hold shares in ZRAI, as on the Appointed Date to be decided by Management. Accordingly, upon allotment of shares by the Resulting Company as above in the proposed ratio, the beneficial / economic interest of the shareholders of ZRAI in the Resulting Company will be in the same ratio inter se as it is in the equity of ZRAI. Therefore, the determination of share entitlement ratio would not have any impact on the value, to the shareholders of ZRAI and ZLRAI. Hence, any share entitlement ratio would be fair for the Proposed Demerger, including the share entitlement ratio proposed in the Scheme.

6 CONCLUSION

Based on the aforementioned, in particular read with paragraphs 2 - 5 above and the information, explanations and representations provided to us, in our opinion, the share entitlement ratio of 1 (One) equity share of INR 10 each of Resulting Company for every 1 (One) equity share of INR 10 each in ZRAI, proposed by Board of Directors and mentioned in para 5 above, is fair.

7 LIMITATION OF LIABILITY

- 7.1 In no event shall we be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful default on the part of ZRAI/ Resulting Company, their Directors, employees or agents.
- 7.2 In no circumstances shall the liability of PwC BCS LLP, its partners or employees, relating to services provided in connection with the engagement set out in this report exceed the amount paid to us in respect of the fees, if any, charged for these services.



8 DISTRIBUTION OF OUR REPORT

This letter report is prepared for the Board of Directors of ZRAI and Resulting Company, and may be produced before the shareholders, Registrar of Companies, National Company Law Tribunal, Reserve Bank of India/ its Authorized Dealer and any other judicial, regulatory or government authorities in connection with the purpose outlined above. It is not to be used, referred to or distributed for any other purpose or to any other person (except, on a strictly need to know basis, to its senior employees and professional advisors in connection with the proposed transaction) without our written permission.

We would like to record our appreciation for the courtesy and co-operation received by us during the course of our work and look forward to continuing our professional association.

Yours faithfully

PwC Business Consulting Services LLP
IBBI Registered Valuer No.: IBBI/RV-E/02/2022/158



Vishnu Giri
Partner
IBBI Registration No.: IBBI/RV/02/2021/14260

Date: 19 December 2024
Place: Bangalore

RVN – IOVRVF/PWC/2024-2025/4456



Annexure I

Balance Sheet of Specified Segment, as at 30 November 2024

Particulars	INR million
Fixed assets	5,567
Trade receivables	2,576
Inventories	2,277
Other operating assets	997
Working Capital Assets	5,851
Trade payables	2,722
Other operating liabilities	357
Working Capital Liabilities	3,079
Net Working Capital	2,772
Cash & cash equivalents	423
Investments	27
Net Assets	8,788
Sources of Funds	
Debt and debt like items	
Borrowings	6,229
Deferred Tax Liabilities	31
Capital Creditor	168
Lease liability	217
Total Liabilities	6,646
Shareholder's Fund	
Equity Share Capital	-
Other Equity	2,143
Total Equity and Liabilities	8,788

Source: Management Information

Independent Auditor's Certificate on the proposed accounting treatment contained in the Scheme of Arrangement of ZF Rane Automotive India Private Limited ("Demerged Company"), ZF LIFTEC Rane Automotive India Private Limited ("Resulting Company") and their respective shareholders under sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 and rules framed thereunder

The Board of Directors,
ZF Rane Automotive India Private Limited
"Maithri", 132, Cathedral Road, Chennai 600 086.

1. We M S K A & Associates, Chartered Accountants, the Statutory Auditors of ZF Rane Automotive India Private Limited ("Demerged Company") having its registered office at the above mentioned address vide mandate letter dated December 16, 2024, have been requested to certify the proposed accounting treatment specified in Clause 10.2 of the Scheme of Arrangement approved in the meeting of board of directors held on December 19, 2024 (herein referred as 'The Scheme') with regard to demerger of the Occupant Safety Division (OSD) from ZF Rane Automotive India Private Limited ("Demerged Company") to ZF LIFTEC Rane Automotive India Private Limited ("Resulting Company") as specified in the proposed Scheme of Arrangement between Demerged Company, Resulting Company and their respective shareholders under sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 ("Act") and rules framed thereunder, with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Act, read with the rules made thereunder and Other Generally Accepted Accounting Principles for the purpose of onward submission to National Company Law Tribunal, Chennai ("the Tribunal").

Management's Responsibility

2. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("the applicable Accounting Standards") and Other Generally Accepted Accounting Principles as aforesaid, is that of the Board of Directors of the Demerged Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
3. The Management is also responsible for providing all relevant information to the Tribunal in connection with the Scheme.

Auditor's Responsibility

4. Pursuant to the requirements of sections 230 to Section 232 of the Act, read with the Rules made thereunder, our responsibility is to provide a reasonable assurance whether the proposed accounting treatment referred to in Clause 10.2 of the Scheme of Arrangement, is in compliance with the accounting standards prescribed under section 133 of the Act, read with Companies (Accounts) Rules, 2014 as amended.
5. The following documents have been furnished by the Transferee Company:
 - a) Copy of the Scheme of Arrangement entered between Demerged Company, Resulting Company and their respective shareholders;
 - b) Certified true copy of the Board resolution for approving the Scheme of Arrangement.
 - c) Performed necessary enquiries and obtained written representations from the Management in this regard.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). 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 issued by ICAI.



MSKA & Associates

Chartered Accountants

Opinion

8. Based on our examination and according to the information and explanation given to us, read with paragraph 4 and 5 above, we are of the opinion that the proposed accounting treatment in books of Demerged Company contained in Clause 10.2 of The Scheme as mentioned in attached "Annexure 1" is in compliance with applicable Indian Accounting Standards notified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 as amended and other generally accepted principles in India.
9. An extract of accounting treatment in Clause 10.2 of the Scheme is reproduced in Annexure 1 attached to this certificate duly authenticated on behalf of the Demerged Company, and is initialled by us for identification purpose only.

Restriction on use

10. The certificate is addressed to the Board of Directors of the Demerged Company solely for the purpose of enabling it to comply with the provisions Section 230 to 232 of the Act read with the rules made thereunder and for onward submission to the Tribunal in accordance with the Act.

This certificate should not be used by any other person or for any other purpose. M S K A & Associates shall not be liable to the Demerged Company, Tribunal or to any other concerned for any claims, liabilities or expenses relating to this assignment.

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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 24029409BKDETJ1081



Place: Chennai
Date: December 19, 2024

Encl: Annexure 1

ZF Rane Automotive India Private Limited

(Formerly known as Rane TRW Steering Systems Pvt. Ltd)



Head Office

45, T.T.K. Road, Alwarpet

Chennai - 600 018, India.

Telephone: +91-44-4394 9200

CIN: U35999TN1987PTC014600

Relevant extract of The Scheme of arrangement between ZF Rane Automotive India Private Limited ("Demerged Company"), ZF LIFTEC Rane Automotive India Private Limited ("Resulting Company") and their respective shareholders under sections 230 to 232 read with other applicable provisions of the Companies Act, 2013

10. ACCOUNTING TREATMENT

10.1 The Demerged Company and the Resulting Company shall account for the demerger of the Demerged Undertaking in accordance with applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

10.2 Accounting Treatment in the books of the Demerged Company:

With effect from the Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of accounts as under –

10.2.1 The book value of assets, liabilities and reserves of the Demerged Company relating to the Demerged Undertaking at their carrying values as appearing in the books of the Demerged Company shall be reduced from the respective balances appearing for such assets, liabilities and reserves in the books of the Demerged Company;

10.2.2 The difference, if any, between the net assets and reserves transferred pursuant to clause 10.2.1 above pertaining to the Demerged Undertaking shall be adjusted against the capital reserve account and in case of deficit in the capital reserve account for whatever reason, then it shall be disclosed separately as Restructuring Adjustment Deficit Account under the head Reserves and Surplus;

10.2.3 Any matter not dealt with in clause hereinabove shall be dealt with in accordance with the Indian accounting standards and generally accepted accounting principles applicable to the Demerged Company.

10.2.4 For accounting purpose, the Scheme will be given effect from the date when all substantial conditions for the transfer of business are completed.

For ZF Rane Automotive India Private Limited

Authorised Signatory

Name: L K Segar

Designation: General Manager - Finance

Place: Chennai

Date: December 19, 2024

Initialed For Identification Purposes Only



Independent Auditor's Report on compliance of the proposed accounting treatment under Section 232(6) of the Companies Act, 2013 with the accounting standards notified under Section 133 of the Companies Act, relevant rules thereunder and other generally accepted accounting principles in India

The Board of Directors
ZF Lifetec Rane Automotive India Private Limited
Maithri, 132, Cathedral Road
Gopalapuram, Chennai - 600086

1. This Report is issued in accordance with the terms of our service scope letter dated 19th December 2024 and master engagement agreement dated 19th December 2024 with ZF Lifetec Rane Automotive India Private Limited (hereinafter the "Company") for submission to National Company Law Tribunal (hereinafter the "NCLT") and any other regulatory authorities in connection with the scheme of arrangement as mentioned in paragraph 2 below.
2. We, S.R. Batliboi & Associates LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the management of the Company, to examine the proposed scheme of accounting given in para 10.3 of the attached draft scheme of arrangement dated 19th December 2024 (the "Scheme" or "Scheme of Arrangement") between the Company and ZF Rane Automotive India Private Limited, in terms of the provisions of sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ("the Act"), for compliance with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013, relevant rules thereunder and other generally accepted accounting principles in India (collectively referred to as 'applicable accounting standards'), read with General Circular No 09/2019 issued by the Ministry of Corporate Affairs dated August 21, 2019 (MCA Circular). The Scheme has been initialed by us for identification purposes only.

Management's Responsibility

3. The preparation of the Scheme is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The management of the Company is also responsible for ensuring that the Company complies with the requirements of the Act, and for providing all relevant information to the NCLT and any other regulatory authority in connection with the Scheme.



Auditors Responsibility

5. Pursuant to the requirements of Section 230 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, our responsibility is to provide reasonable assurance in the form of an opinion on whether the proposed accounting treatment specified in clause 10.3 of the Scheme is in compliance with the applicable accounting standards read with MCA circular.
6. We conducted our examination of the Statements in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (“ICAI”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
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.
8. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof for the purpose of this report. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of legal or propriety nature of the Scheme and other compliances thereof. Nothing contained in this report, nor anything said or done in the course of, or in connection with the services that are subject to this report, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures selected depend on the auditor’s judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, we have performed the following procedures in relation to the Scheme:
 - a. Obtained and read the draft Scheme and the proposed accounting treatment specified therein.
 - b. Obtained copy of resolution passed by the Board of Directors of the Company dated 19th December 2024 approving the Scheme.
 - c. Examined whether the proposed accounting treatment as per clause 10.3 of the Scheme is in compliance with the Applicable Accounting Standards.
 - d. Performed necessary inquiries with the management and obtained necessary representations from the management.



Opinion

10. Based on our examination and according to the information and explanations given to us, read with paragraph 9 above, in our opinion, the proposed accounting as contained in the Annexure, is in compliance with Accounting Standards prescribed under section 133 of the Companies Act, 2013, relevant rules thereunder and other Generally Accepted Accounting Principles.

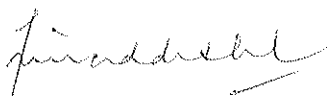
Restriction on Use

11. This report has been issued at the request of the Company and is addressed to and provided to the Board of Directors of the Company solely for the purpose mentioned in paragraph 2 above and to be submitted to the NCLT and any other regulatory authority in connection with the Scheme, and should not be used for any other person or purpose or distributed to anyone or referred to in any document without our prior written consent. Our examination relates to the matters specified in this report, and does not extend to the Company as a whole. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aniruddh Sankaran

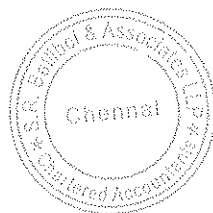
Partner

Membership Number: 211107

UDIN: 24211107BKGSSQ8868

Place of Signature: Chennai

Date: 19/12/2024





**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT- I) CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **02.05.2025** THROUGH VIDEO CONFERENCING

PRESENT: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

APPLICATION NUMBER : CA(CAA)/23(CHE)/2025
PETITION NUMBER :
NAME OF THE PETITIONER(S) : ZF Rane Automotive India Pvt Ltd & Anr
NAME OF THE RESPONDENTS :
UNDER SECTION : Sec 230-232 of CA, 2013

ORDER

Present: None for the Applicant.

Vide separate order pronounced in the Open Court, the application is allowed. Meeting is ordered.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

MG

Date: 02.05.2025

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH - I, CHENNAI**

CA(CAA)/23(CHE)/2025

(Under Sections 230 to 232 of the Companies Act, 2013

In the matter of Scheme of Demerger between

ZF RANE AUTOMOTIVE INDIA PRIVATE LIMITED

CIN: U35999TN1987PTC014600

Registered Office: "Maithri", 132, Cathedral Road,
Chennai – 600 086.

Represented by its Authorised Signatory, Mr. Senthilnathan

...1st Applicant /Demerging/Transferor Company

ZF LIFETEC RANE AUTOMOTIVE INDIA PRIVATE LIMITED

CIN: U29302TN2024PTC171639

Registered Office: "Maithri", 132, Cathedral Road,
Chennai – 600 086.

Represented by its Authorised Signatory, Mr. L.K. Segar

... 2nd Applicant /Resulting/Transferee Company

and their respective Shareholders and Creditors.

Order Pronounced on 2nd May, 2025

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)

VENKATRAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For Applicant: Thriyambak J Kannan, Advocate



ORDER

1. This is an Application filed by M/s. ZF Rane Automotive India Private Limited (hereinafter referred as the “1st Applicant/Demerging/Transferor Company”) and M/s ZF Lifetec Rane Automotive India Private Limited (hereinafter “2nd Applicant/Resulting/Transferee Company) and its Shareholders under section 230-232 of Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Demerger (hereinafter referred to as the “SCHEME”) proposed by the Applicant Companies herein with its Shareholders. The Scheme is placed in **Page no. 433-457** of the Application Typeset.

2. The Applicant Companies in this Company Application have sought for the following reliefs;

PARTICULARS	EQUITY SHAREHOLDERS	PREFERENCE SHAREHOLDERS	SECURED CREDITORS	UNSECURED CREDITORS
DEMERGED COMPANY/ APPLICANT COMPANY NO.1	To Dispense with the meeting	Not Applicable	To Dispense with the meeting	Seeking direction from the Tribunal for convening meeting of Unsecured Creditors
RESULTING COMPANY APPLICANT COMPANY NO.2	To Dispense with the meeting	Not Applicable	Not Applicable	Not Applicable



3. The **RATIONALE OF THE SCHEME** is as under:

“The Demerged Company operates in components for transportation industry under two divisions, viz.: Steering Gear Division (SGD), which manufactures fully integrated hydraulic steering gears, hydraulic pumps, power-rack and pinion, power steering fluid and plastic reservoirs for transportation industry and Occupant Safety Division (OSD), which manufactures and supplies safety seat belts and airbags to major OEMs in India and in the overseas market and exports cushions to various ZF locations.

As part of an overall strategy for the optimum running, growth and development of the said businesses it is considered desirable and expedient to reorganise and reconstruct by demerging its Occupant Safety Division (OSD) INTO THE Resulting Company in the manner as provided for in this Scheme. This will result in the creation of two separate robust entities viz., the Demerged Company and the Resulting Company focussing exclusively on Steering Gear Division (SGD) and Occupant Safety Division (OSD) businesses respectively.

The proposed Scheme is expected, inter alia, to result in following benefits:

- (i) Offer opportunities to the management of the Demerged Company and Resulting Company to vigorously pursue growth and expansion opportunities for each business separately;*
- (ii) Value unlocking of respective businesses with ability to achieve valuation based on respective-risk return profile and cash flows;*
- (iii) Attracting specific investors and strategic partners and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth and thereby enable deleveraging of the respective divisions in the longer-term;*
- (iv) Focussed management approach for pursuing the growth in the respective business’ verticals and de-risk the businesses from each other.*

It is stated that, the Scheme will have beneficial results for both the Demerged Company and the Resulting Company and their respective stakeholders.”



4. It is stated that the (i) Demerged/Transferor Company viz., M/s. ZF Rane Automotive India Private Limited Company was incorporated under the provisions of the Indian Companies Act, 1956 on 03.07.1987 with CIN: **U35999TN1987PTC014600**. The Authorized/Issued/Subscribed and paid up Share Capital of the Demerged Company as on 19.12.2024 as stated in the Application are as follows:-

Particulars	Amount in Rs.
Authorised Share Capital	
90,00,000 Equity Shares of Rs.10/- each	9,00,00,000
Total	9,00,00,000
Issued Share Capital	
88,04,000 Equity Shares of Rs.10/- each	8,80,40,000
Total	8,80,40,000
Subscribed and Paid up Share Capital	
87,38,246 Equity Shares of Rs.10/- each	8,73,82,460
Total	8,73,82,460

- (ii) The Resulting/Transferee Company viz., M/s ZF Lifetec Rane Automotive India Private Limited Company was incorporated under the provisions of Companies Act, 2013 on 04.07.2024 with CIN No. **U29302TN2024PTC171639**. The Authorized/Issued/Subscribed and Paid up Share Capital of the Resulting Company as on 19.12.2024 as stated in the Application are as follows:-



Particulars	Amount in Rs.
Authorised Share Capital	
1,00,000, Equity Shares of Rs.10/- each	10,00,000
Total	10,00,000
Issued, Subscribed and Paid up Share Capital	
10,000 Equity Shares of Rs.10/- each	1,00,000
Total	1,00,000

5. It is stated that this Application is being filed in relation to a Scheme of Arrangement between ZF Rane Automotive India Private Limited (Demerged Company) and ZF Lifetec Rane Automotive India Private Limited (Resulting Company) and their respective shareholders and creditors.

6. Ld. Counsel for the Applicants submits that, this Tribunal may dispense with the meetings of Equity Shareholders, Secured Creditors of the Demerged/Transferor Company and Resulting/Transferee Company. He has however sought for directions from the Tribunal for convening meeting of Unsecured Creditors of the Demerged /Transferor Company

7. Affidavits in support of the above application, on behalf of the Demerged Company have been sworn in by Mr. Senthilnathan in the capacity of Authorized Signatory and on behalf of the Resulting Company by Mr. L K Segar in the capacity of Authorised Signatory. It is also represented that the registered offices of both the Applicant



Companies are situated in the State of Tamil Nadu and therefore it is within the jurisdiction of this Tribunal.

8. We have perused the application and the connected documents/papers filed therewith including the Scheme contemplated by the Applicant companies.

9. The Applicant Companies have filed the Memorandum of Association (MOA) and Articles of Association (AOA) *inter alia* delineating their object clauses. The Demerged Company has submitted its last available Audited Financial Statements for the year ended 31.03.2024 and Provisional/ Unaudited Financial Statements as on 31.12.2024. The Resulting Company has submitted its Provisional/ Unaudited Financial Statements as on 31.12.2024.

10. The Board of Directors of the Applicant Companies vide meeting held on 19.12.2024 have unanimously approved the proposed Scheme of Arrangement as contemplated above. (Copies of the resolutions passed thereon have been placed on record by the Applicant Companies at **Page No.266-273.**)

11. As per the Scheme, the Appointed date is specified as, *“Appointed Date shall mean Effective Date or such other date as maybe decided by the boards of parties”* and the *“Effective Date means last of the date on which the certified copy of the order sanctioning this Scheme, is filed by the respective parties with the Jurisdictional Registrar of Companies”*.

12. The Statutory Auditors of the Demerged Company and Resulting Company have examined the Scheme in terms of provisions



of Sec. 232 of Companies Act, 2013 and the Rules made thereunder and certified that the Accounting Standards are in compliance with Section 133 of the Companies Act, 2013. The Accounting Treatment Certificates for the Applicant Companies are placed at **Page No.274-279** of the Applicant Companies typesets.

13. Taking into consideration the application filed by the Applicant Companies and the documents filed therewith as well as the position of law, this Tribunal issues the following directions: -

**A. ZF RANE AUTOMOTIVE PRIVATE LIMITED
(DEMERGED COMPANY)**

I. EQUITY SHAREHOLDERS

(i) It is represented that there are **Two (2)** Equity Shareholders as on date of filing the Application whose consent affidavits amounting to 100% are placed at **Page No. 284-299**. The Certificate issued by the Authorised Signatory of Demerged Company certifying the list of Equity Shareholders is placed at **Page No.282** of the Application. They have sought for dispensation with holding of meeting.

(ii) Since it is represented by the Demerged Company that there are 2 (**Two**) Equity Shareholders in the Company whose consent by way of Affidavits have been obtained and are placed on record, the necessity of convening and holding the meeting is *dispensed with*.

II. SECURED CREDITORS



- (i) There are Three **(3)** Secured Creditors, whose consent affidavits amounting to 100% of the total value of credit are placed at **Page No.320-356**. The Certificate issued by the Chartered Accountant certifying the list of Secured Creditors of demerged company is placed at **Page No. 357-360**. They have sought for dispensation with holding, conducting and convening of meeting.
- (ii) Since it is represented by the Demerged Company that there are Three **(3)** Secured Creditors in the Company whose consent by way of Affidavits have been obtained and are placed on record, the necessity of convening and holding the meeting is *dispensed with*.

III. UNSECURED CREDITORS

- (i) There are **Thousand Two Hundred and Five (1205)** Unsecured Creditors. The Certificate by the Chartered Accountant certifying the list of Unsecured Creditors is placed at **Page no. 365-421** of the typed set filed with the Application. It has sought for directions from the Tribunal for convening the meeting.
- (ii) The meeting is directed to be held on **15.06.2025** at **10.00 AM** in the registered office of the Demerged Company or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices.



**B. ZF LIFETEC RANE AUTOMOTIVE INDIA PRIVATE LIMITED
(RESULTING COMPANY)**

I. EQUITY SHAREHOLDERS

(i) There are **Two (02)** Equity Shareholders, whose consent affidavits amounting to 100% are placed at **Page No. 300-311**. The Certificate issued by the Authorised Signatory of the Resulting Company certifying the list of Equity Shareholders is placed at **Page No.283**. They have sought for dispensation with holding of meeting.

(ii) Since it is represented by the Resulting Company that there are **Two (02)** Equity Shareholders in the Company whose consent by way of Affidavits have been obtained and are placed on record, the necessity of convening and holding the meeting is *dispensed with*.

II. SECURED CREDITORS & UNSECURED CREDITORS

(i) There is no Secured and Unsecured Creditors. A Certificate issued by the Chartered Accountant certifying that there are no Secured & Unsecured Secured Creditors at the Resulting Company as on 17.02.2025 is placed at **Page No. 361-364** and **Page No. 422-425** of the application.

(ii) Since it is represented that there are Nil Secured & Unsecured Creditors, the necessity for convening and holding the meeting *does not arise*.

14. The quorum for the meeting of the Demerged Company shall be as follows;



S.No	Class	Quorum
1	Unsecured Creditors	134

- i) The Chairperson appointed for the above said meetings shall be **Mrs. Sucharitha J (Mob: 9444028065)**. The Fee of the Chairperson for the aforesaid meeting shall be **Rs. 1,00,000/- (Rupees One Lakh Only)** in addition to meeting her incidental expenses. The Chairperson(s) will file the reports of the meeting within a week from the date of holding of the above said meetings
- ii) **Mr. Sriram Ananth V (Mob: 8056279887)** is appointed as a Scrutinizer and would be entitled to a fee of **Rs. 50,000/- (Rupees Thirty Thousand Only)** for services in addition to meeting incidental expenses.
- iii) In case the quorum as noted above, for the above meeting of the Applicant Companies is not present at the meeting, then the meeting shall be adjourned by half an hour, and thereafter the person(s) present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed with the registered office of the applicant companies at least 48 hours before the meeting. The Chairperson appointed herein along with Scrutinizer shall



ensure that the proxy registers are properly maintained. However, every endeavour should be made by the applicant companies to attain at least the quorum fixed, if not more in relation to approval of the scheme.

- iv) The meeting shall be conducted as per applicable procedure prescribed under the MCA Circular MCA General Circular Nos. (i) 20/2020 dated 5th May, 2020 (AGM Circular), (ii) 14/2020, dated 08.04.2020 (EGM Circular-I) and (iii) 17/2020 dated 13.04.2020 (EGM Circular-II);
- v) That individual notices of the above said meeting shall be sent by the Applicant Company through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of the meeting, indicating the day, date, the place and the time as aforesaid, together with a copy of Scheme, copy of explanatory statement, required to be sent under the Companies Act, 2013 and the prescribed form of proxy shall also be sent along and in addition to the above any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.
- vi) That the Applicant Company shall publish advertisement with a gap of atleast 30 clear days before the aforesaid meetings, indicating the day, date and the place and time



as aforesaid, to be published in the English Daily "*Business Standard*" (All India Edition), and "*Dina Malar*" Tamil (Tamil Nadu Edition) in Vernacular stating the copies of Scheme, the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and the form of proxy shall be provided free of charge at the registered office of the respective Applicant Companies.

- vii) The Chairperson shall as aforesaid be responsible to report the result of the meeting within a period of 3 days of the conclusion of the meeting with details of voting on the proposed scheme.
- viii) The companies shall individually send notice to concerned Regional Director, MCA, Registrar of Companies Coimbatore, Reserve Bank of India (RBI) and the Income Tax Authorities as well as other Sectoral regulators who may have significant bearing on the operation of the applicant companies or the Scheme *per se* along with copy of required documents and disclosures required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016.
- ix) The applicant companies shall further furnish copy of the Scheme free of charge within 1 day of any requisition for



the Scheme made by every creditor or member of the applicant companies entitled to attend the meetings as aforesaid.

- x) The Authorized Representative of the Applicant Companies shall furnish an affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meetings.
- xi) All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.

15. Accordingly, the Application stands **disposed of**.

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VENKATARAMAN SUBRAMANIAM
Member (Technical)

-Sd-

SANJIV JAIN
Member (Judicial)

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