



ZF STEERING GEAR (INDIA) LIMITED

Regd. Office: Village Vadubudruk, Tal: Shirur, Dist. Pune 412 216

CHAIRMAN'S SPEECH

(at the 30th Annual General Meeting of the Company held on July 14, 2010)

Dear Members

It gives me great pleasure to welcome you all to the 30th Annual General Meeting of our Company. I would like to thank you all, for your presence here today, and I appreciate your keen interest in the Company.

The Company's Annual Report and Accounts have already been circulated to you. With your permission, I would like to take them as read.

Global Economic Scenario

The year 2009 was tough for everyone. Global output contracted by nearly 1%. Global trade reduced by 25%. The global economy, since then, has only partially recovered from the financial meltdown of 2008. Still dark clouds appear on the horizon caused by the current debt-crisis in Europe. Threats from the highly leveraged economies can not be ignored. Early signs of global recovery can not be taken for granted. Budget and project spending cuts in many European countries may lead to slower than anticipated global economic growth.

On the brighter side, the Indian Government's macro-economic management has been praiseworthy. Unprecedented opportunities for growth in India and the rest of Asia are unfolding, making our continent a powerful engine of global economic growth. Ahead of India, it is believed, are the best ever years in our country's history. India is expected to become the fastest growing economy within the coming few years.

Business and Financial Performance - 2009-10

For the Company, the business markedly improved from the third quarter of the fiscal. Almost 60 % of the Annual Turnover was registered in last two quarters. As reported, during the period, your Company has added some important new products and customers, the impact of which will be seen in the years to come.

The Company added four wind-mills by end of the year, which helped in tax-savings for the year and also would generate most of the power required by the Company's factory.

Looking Ahead

With a normal monsoon this year, the Indian economy is expected to return to higher growth of 8.5% and above. This high growth will give boost to our business.

I view the outlook for the commercial vehicles in current year as encouraging. The overall sale (domestic plus exports) of Commercial Vehicles segment registered a growth of 58 percent in April-June 2010 as compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) registered a growth of 81 percent and Light Commercial Vehicles grew at 42 percent. In April-June 2010, Passenger Cars have registered a 29 % jump over corresponding period.

The Company is gradually building-up the production capacities in anticipation of future additional demand emanating from higher domestic growth and global recovery.

First Quarter (Q1) of the Current-year

Particulars	Qty in Nos.		
	April to June 10	April to June 09	January to March 10
Power Steering Gears – CV/ MU / BUS	38,898	21, 464	40,928
Rack & Pinion Power Steering Gear	4, 405	3,700	6,500
Mechanical Steering Gear	34, 204	27, 539	32,691

Farewell & Acknowledgements

14 years or so have flown by and this is the last time that I am formally speaking to you all, here in the capacity of Chairman of ZF Steering Gear (India) Limited. It has been a happy time - that I will always remember fondly. I have truly enjoyed my time here and have been well supported and guided by all my colleagues on the Board for which I shall remain grateful. I leave this place with great confidence in the team here, knowing that they are capable of steering the Company to greater heights and overcoming any hurdle that may come up. This provides me with a sense of pride and gratitude that is indescribable.

On behalf of the Board and on my own behalf, I place on record my sincere appreciation and gratitude to our employees, customers, vendors, business associates, bankers and the Government of India and State Governments for their continued support to the Company and its management..

I wish all of you every success for the future.

Thank you.

July 14, 2010

A. H. Firodia
Chairman

