

FORM A

Format of covering letter of the annual report to be filed with the stock exchange

1.	Name of the Company	Federal-Mogul Goetze (India) limited
2.	Annual financial statements for the year ended	For the period- 1 January 2014 to 31 March 2015
3.	Type of Audit observation	Un-qualified The report of statutory auditors contains the following observations on the standalone financial statements Observation in the annexure to the Independent Auditors' Report under the Companies (Auditors' Report) Order, 2003 issued by Central Government of India in terms of sub section (4A) of Section 227 of Companies Act, 1956- a) <i>In our opinion and based on an overall examination of the balance sheet of the Company, we report that the Company has utilized funds raised on short term basis through short term loans from banks and other current liabilities aggregating to Rs. 2.753 lacs for various long term purposes.</i>
4.	Frequency of observation	Observation has been appearing since 31 December 2011
5.	Signed by- • Chief Executive Officer • Chief Financial Officer • Whole Time Director-Legal and Company Secretary • Auditor of the Company For Walker Chandiok & Co LLP <i>(formerly Walker, Chandiok & Co)</i> Chartered Accountants Firm Registration No.: 001076N/ N500013 Per Neeraj Sharma Partner Membership No.: 502103 Place: Gurgaon Date:	<i>Sd/-</i> <i>(LEO)</i> <i>Neeraj</i> <i>30/08/15</i>
	• Audit Committee Chairman	<i>Mukul Gupta</i> For Federal Mogul Goetze (India) Ltd.

CERTIFIED TRUE COPY

[Signature]
Company Secretary

NOTICE

Notice is hereby given that the 60th Annual General Meeting of the Company will be held on Tuesday, 11th August, 2015 at 11.00 AM at Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2015 and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunit Kapur (DIN: 03435110) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Bernhard Georg Motel (DIN : 05282143) who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Walker, Chandiook & Co., Chartered Accountants, the retiring Auditors of the Company for a period of 2 years and fix their remuneration :
"Resolved that M/s. Walker Chandiook & Co., Chartered Accountants (Firm Registration No. 001076N), New Delhi, be and is hereby appointed as the Statutory Auditors of the Company for a period of two years i.e. from the conclusion of this 60th Annual General Meeting till the conclusion of 62nd Annual General Meeting of the Company, subject to the ratification by members at every Annual General Meeting and at a remuneration as may be fixed and determined by the Board of Directors of the Company in consultation with the Statutory Auditors."

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification the following resolutions as **Ordinary Resolution:**

5. **Appointment of Ms. Janice Ruskey Maiden (DIN: 06847230) as Director liable to retire by rotation**
"Resolved that pursuant to the provisions of section 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to appoint Ms. Janice Ruskey Maiden (DIN: 06847230) as Non Executive Director, liable to retire by rotation, on the Board of the Company."
6. **Appointment of Dr. Khalid Iqbal Khan (DIN: 05253556) as Director**
"Resolved that pursuant to the provisions of section 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to appoint Dr. Khalid Iqbal Khan (DIN: 05253556) as Director, on the Board of the Company."
7. **Appointment of Mr. Mahendra Kumar Goyal (DIN : 02605616) as an Independent Director**
"Resolved that pursuant to provisions of Sections 149, 152, 160, Schedule IV of the Companies Act, 2013 and other applicable provisions, if any, read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to appoint Mr. Mahendra Kumar Goyal (DIN : 02605616) as Independent Director of the Company to hold office for a period of 5 years w.e.f. 13th August 2014."
8. **Appointment of Mr. K N Subramaniam (DIN: 00041843) as Independent Director**
"Resolved that pursuant to provisions of Sections 149, 152, 160 and Schedule IV of the Companies Act, 2013 and other applicable provisions, if any, read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to appoint Mr. K N Subramaniam (DIN: 00041843) as Independent Director of the Company to hold office for a period of 5 years w.e.f. 13th February 2015."
9. **Appointment of Mr. Mukul Gupta (DIN: 00254597) as an Independent Director**
"Resolved that pursuant to provisions of Sections 149 and 152, 160 and Schedule IV of the Companies Act, 2013 and other applicable provisions, if any, read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to appoint Mr. Mukul Gupta (DIN: 00254597) as Independent Director of the Company to hold office for a period of 5 years w.e.f. 13th February 2015."
10. **Ratification of Remuneration to Cost Auditor for the financial year ended 31st March 2015**
"Resolved that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s Sanjay Gupta & Associates, Cost Accountants, having Firm Registration No. 00212, appointed by the Board of Directors of the Company to conduct the audit of the cost accounting records of the Company for the financial year ended 31st March 2015, amounting to Rs. 450000/- (Rupees four lakhs fifty thousand only) as audit fee plus service tax plus out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."
11. **Ratification of Remuneration to Cost Auditor for the financial year 2015-16.**
"Resolved that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s Sanjay Gupta & Associates, Cost Accountants having Firm Registration No. 00212 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-16, amounting to Rs. 450000/- (Rupees four lakhs fifty thousand only) as audit fee plus service tax plus out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

To consider and if thought fit, to pass with or without modification the following resolution as **Special Resolution**

12. **Borrowing powers of the board and creation of charge / mortgage on the moveable and/or immoveable properties of the company, both present and future in favour of lenders**
"Resolved that, pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the

Board of Directors or its committee as may be authorised by the Board of Directors, to borrow moneys for the purpose of business of the Company from time to time on such terms and conditions and with or without security, as the Board of Directors or its Committee may in its absolute discretion think fit, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up share capital and free reserves of the Company, however provided that the total borrowings of the Company at any time including the monies already borrowed, shall not exceed an amount of Rs. 600 Crores (Rupees Six hundred crores only).

Resolved further that pursuant to Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, and such other sanctions and approvals, as may be required, consent of the Company be and is hereby accorded to the Board of Directors of the Company or its Committee as may be authorised by the Board of Directors, to obtain loans, avail borrowings/credit facilities and provide requisite securities to avail such loans/borrowings/credit facilities from time to time and/or to create mortgage / charge for business purposes where the value of the security is exceeding 20% of its net worth as per audited balance sheet of the preceding financial year or which generate 20% of the total income of the company during the previous year not exceeding Rs. 600 Crores (Rupees Six hundred Crores only).

Resolved further that the Board of Directors or such Committee or person/(s) as authorised by the Board of Directors be and are hereby authorised to finalise the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such of the immovable and/or movable properties of the Company on such terms and conditions as may be decided by the Board of Directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving full effect to this resolution."

13. Appointment of Dr. Khalid Iqbal Khan (DIN : 05253556) as Whole-time Director-Legal & Company Secretary, of the Company

"Resolved that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and read with rules framed thereunder, as amended upto date and any amendments or re-enactments thereto the approval of the Members be and is hereby accorded, subject to the approval of the Central Government, if any, subject to the maximum permissible limits of 5% and 10% of the net profits of the Company, and the overall limit of 11% of the net profits as laid down in Section 197 of the Companies Act, 2013, and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, as amended upto date, any amendments or re-enactments thereto and any other acts, rules or other statutes, to appoint Dr. Khalid Iqbal Khan, as the Whole Time Director -Legal & Company Secretary, of the Company, for a period of three years w.e.f 22nd May 2015 to 21st May, 2018 on the following terms and conditions:

- Base Salary: ● Salary in the scale of Rs. 16,80,000/- to Rs. 25,00,000/- per annum.
- Perquisites : ● HRA: 50% of the base salary p.a.
 ● Special Allowance: In the scale of Rs. 15,21,900/- p.a. to Rs. 22,00,000/- p.a.
 ● LTA: As per the rules of the Company from time to time;
 ● Medical Reimbursement: As per the rules of the Company from time to time;
 ● Bonus: Dr. Khalid will be entitled to annual MIP bonus subject to a maximum of Rs. 20,00,000/- p.a.
 ● Car Allowance: As per Company's policy from time to time.
 ● Petrol & Maintenance reimbursement: On the basis of actual expense.
 ● Driver Reimbursement: As per Company's policy from time to time.
 ● Provident Fund Contribution: 12% of Base Salary
 ● Gratuity: 4.81% of Base salary.

Resolved further that where in any financial year during the tenure of appointment of Dr. Khalid Iqbal Khan, Whole Time Director -Legal & Company Secretary, of the Company has no profits or its profits are inadequate, Dr. Khan, shall be paid the minimum remuneration of Rs. 7,00,000/- per month, subject to the approval of the Central Government, if required, and/ or upon compliance of the applicable requirements of Schedule V to the Companies Act, as existing or as amended from time to time.

Resolved further that the Nomination & Remuneration Committee or the Board of Directors be and is hereby authorized, from time to time, to alter/vary the terms and conditions of appointment of Dr. Khan as Whole Time Director-Legal & Company Secretary, of the Company, including the payment of remuneration to him within the maximum permissible limits under Schedule V to the Companies Act or within the scale as may be approved by the Central Government."

**By Order of the Board
For Federal-Mogul Goetze (India) Limited,**

**Sd/-
Dr. Khalid Iqbal Khan
Company Secretary
Membership No. F5993**

**Address: 2136, Mir Bukhari Street,
Turkman Gate, Delhi-110006.**

Date : 22nd May 2015
Place : Gurgaon

NOTES

- i) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY IN ORDER TO BE EFFECTIVE MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE MEETING.**
- ii) A person can act as a proxy on behalf of the members not exceeding 50 and holding in aggregate not more than ten percent of the total paid up share capital of the Company carrying voting rights. A member holding more than 10 percent of the total share capital carrying voting rights may appoint a single person a proxy such person shall not act as proxy for any other person or shareholder.
- iii) The relative explanatory statements, pursuant to section 102 of the Companies Act 2013, in respect of the business under Item No. 5 to 13 of the accompanying Notice are annexed hereto.
- iv) A statement giving the relevant details of the directors seeking re-appointment under Item Nos. 5 to 13 of the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with Stock Exchanges is annexed herewith.
- v) The Directors' Report, Auditors' Report, Audited Financial Statements for the period ended 31st March 2015 are enclosed.
- vi) The Register of Members and Share Transfer Books of the Company shall remain closed from 5th August, 2015 to 11th August, 2015 (both days inclusive) for the purpose of AGM.

- vii) Members holding shares in physical mode are requested to notify change in their address, transfer/transmission requests/ queries, if any to the Registrar & Transfer Agent (RTA) of the Company, "Alankit Assignments Limited", quoting Folio number and those holding shares in Demat mode must inform the change of address to their respective Depository Participants.
- viii) Members holding shares in physical mode and who have multiple accounts in identical names or joint accounts in same order are requested to send all their relevant share certificate(s) to the RTA for consolidation of all such shareholdings into one account to facilitate better service.
- ix) Members / Proxies are requested to bring their copy of the Annual Report and Admission Slip sent herewith duly filled in for attending the meeting to avoid inconvenience and delay at the time of registration. Copies of Annual Report and admission slip will NOT be available for distribution at the venue of the meeting.
- x) In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote at the meeting.
- xi) Corporate members intending to send their authorised representative(s) to attend the meeting pursuant to section 113 of the Companies Act 2013 are requested to send to the Company a certified copy of the Board Resolution together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.
- xii) In terms of notification issued by SEBI, the Equity Shares of the Company are under compulsory demat trading for all Investors from 24th July 2000. Shareholders are advised to hold their shares in Demat mode and to send their Share Certificates along with Dematerialisation request to the RTA through their Depository Participants.

Under Section 72 of the Companies Act, 2013 the shareholder(s) can nominate a person to whom his shares in the Company shall vest in the event of his/their death. Where the shares are held in joint names, such nomination has to be made jointly. The nominee shall, on the death of the shareholder or all joint holders, as the case may be, become entitled to all rights in the shares to the exclusion of all other persons unless the nomination is varied or cancelled by the shareholder(s) in the prescribed manner. Shareholder(s) desirous of nominating a person may write to the Company for obtaining the prescribed Nomination form.
- xiii) All the Shareholders can communicate with the RTA for requests/ queries relating to transfer, transmission, demat, remat, endorsement as fully paid up, split, consolidation, change of address, issue of duplicate share certificates at the address "Alankit Assignments Limited, Alankit Hights, 1E/13, Jhandewalan Extension, New Delhi 110055". For all other queries, please contact the Company either at the Registered Office of the Company, G-4, J.R Complex, Gate No.-4, Mandoli Delhi – 110093 or by email to investor.grievance@federalmogul.com
- xiv) The facility for voting through polling paper shall be available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- xv) The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and documents referred to in the notice and explanatory statement, are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) upto the date of Annual General Meeting and will also be available for inspection at the meeting.
- xvi) To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors are requested to register their email addresses with Alankit Assignments Limited if shares are held in physical mode or with their DP, if the holding is in electronic mode. In case a member holding shares in Dematerialized mode wants to obtain the copy of Annual Report in physical mode, he is requested to request the Company or R&TA in writing, for the same.

**By Order of the Board,
For Federal-Mogul Goetze (India) Limited,**

**Sd/-
Dr. Khalid Iqbal Khan
Company Secretary
Membership No. F5993
Address: 2136, Mir Bukhari Street,
Turkman Gate, Delhi-110006.**

Date : 22nd May 2015,
Place : Gurgaon

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

Item No. 5

In the meeting of Board of Directors held on 13th August 2014, Ms. Janice Ruskey Maiden, was appointed as an Additional Non-Executive Director on the Board of the Company. Accordingly, Ms. Maiden, holds the office till the conclusion of this 60th Annual General Meeting. The Company has received the notice under Section 160 of the Companies Act 2013 from a member proposing the candidature of Ms. Maiden as Director liable to retire by rotation of the Company along with the prescribed deposit of Rs. 100000/-

Ms. Maiden, aged 56 years, is a Graduate in Textile Engineering from Philadelphia University, Philadelphia, PA, MSE/Executive Masters in Technology Management (EMTM) from University of Pennsylvania, Philadelphia, PA has undergone International Business Development Program under INSEAD - General Management Program (CEDEP), Fontaine Bleu, France. Ms. Maiden has 33 years of rich experience in technology exploration, product and business development.

Save and except Ms. Maiden, none of the other directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 5.

Ms. Maiden is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to be appointed as a Director.

The relevant documents relating to appointment of Ms. Janice R. Maiden are available for inspection by members at the Registered Office of the Company.

The Board considers that her continued association would be of immense benefit to the Company. Accordingly the Board recommends appointment of Ms. Maiden as Director liable to retire by rotation and propose to pass the resolution set out in Item no. 5 of the notice as an Ordinary Resolution.

Item No. 7

In the meeting of Board of Directors held on 13th August 2014, Mr. Mahendra Kumar Goyal, was appointed as Additional Director on the Board of the Company Accordingly Mr. Goyal holds office up to the conclusion of this 60th Annual General Meeting.

In terms of Section 149 and 152 read with Schedule IV and any other applicable provisions, if any of the Companies Act, 2013 and rules made there under and Clause 49 of the Listing Agreement, it is proposed that Mr. Goyal be appointed as Independent Directors for a period of 5 years from the original date of appointment. The Company has received the notice under Section 160 of the Companies Act 2013 from a member proposing the candidature of Mr. Mahendra

Kumar Goyal as director of the Company along with the prescribed deposit of Rs. 100000/-.

Save and except Mr. Mahendra Goyal and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Mr. Goyal has confirmed that he is not disqualified in terms of Section 164 of the Act and he has given his consent to act as Director of the Company.

In the opinion of the Board, Mr. Goyal fulfils all the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

The relevant documents relating to appointment of Mr. Mahendra Goyal are available for inspection by members at the Registered Office of the Company.

The Board considers that his continued association would be of immense benefit to the Company. Accordingly, the Board recommends the appointment of Mr. Goyal and proposes to pass the resolution set out in Item No. 7 as an Ordinary Resolution.

Item No. 8 & 9

Pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement, the Board in its meeting held on 13th February 2015 has appointed, the existing Independent Directors, Mr. Mukul Gupta and Mr. K N Subramaniam, as Independent Directors for period of 5 years, subject to the approval of shareholders of the Company, who shall not be liable to retire by rotation. The Company has received notices under Section 160 of the Companies Act, 2013 from members proposing, appointment of Mr. Gupta and Mr. Subramaniam, directors, along with the prescribed deposit of Rs. 100000/- each

Save and except the Independent Directors and their relatives to the extent of their shareholding interest, if any, in the Company with regard to their respective appointments, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 8 & 9.

Mr. Gupta and Mr. Subramaniam have confirmed that they are not disqualified in terms of Section 164 of the Act and both the directors have given their consent to act as Director of the Company.

In the opinion of the Board, Mr. Gupta and Mr. Subramaniam fulfil all the conditions specified in the Companies Act, 2013 and the rules made there under and are independent of the management.

The relevant documents relating to appointment of Mr. K N Subramaniam and Mr. Mukul Gupta are available for inspection by members at the Registered Office of the Company.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services. Accordingly, the Board recommends the appointment of Mr. Gupta and Mr. Subramaniam and proposes to pass the resolutions set out in Item No. 8 & 9 as Ordinary Resolutions.

Item No. 10

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Sanjay Gupta & Associates, Cost Accountants, to conduct the audit of the cost accounting records of the Company for the period ended March 31, 2015. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the period 31st March 2015 as set out in the Resolution for the aforesaid services rendered by them.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said Resolution. The Board of Directors recommend the resolution set out in Item No. 10 as Ordinary Resolution.

Item No. 11

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Sanjay Gupta & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2015-16. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2015-16 as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said Resolution. The Board of Directors recommend the resolution set out in Item No. 11 as Ordinary Resolution.

Item No. 12

The Members of the Company in their meeting held on 11th June 2012 had accorded their approval to the Board of Directors of the Company through Ordinary Resolution to borrow money on behalf of the Company under Section 293(1)(d) of the Companies Act, 1956 up to Rs. 600 Crores (apart from temporary loans obtained from the company's bankers in the ordinary course of business). In terms of clarification issued by the Ministry of Corporate Affairs vide its General Circular No. 04/2014 dated March 25, 2014, it has been clarified that the resolution passed under section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act.

In this regard, it is proposed to pass a special resolution in terms of section 180(1)(c) of the Companies Act 2013 approving to borrow money upto 600 crores (apart from temporary loans obtained from the company's bankers in the ordinary course of business).

Further, Section 180(1)(a) of the Companies Act, 2013 provides, inter alia, that the Board of Directors shall not without the consent of the Members through special resolution, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. The banks and financial institutions etc. extend financial assistance subject to creation of security on the movable and/ or immovable properties of the Company. This creation of securities by way of charge and/or mortgage would require your approval as special resolution under the provisions of Sections 180(1)(a) of the Companies Act, 2013.

Accordingly, the Board recommends the resolution set out in Item No. 12 for your approval. None of the directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 12 as Special Resolution.

Item No. 6 & 13

In the meeting of the Board of Directors held on 22nd May 2015, Dr. Khalid Iqbal Khan (DIN: 05253556) was appointed as an Additional Director on the Board of the Company. Accordingly, Dr. Khan holds the office as Director upto the date of the forthcoming Annual General Meeting. The Company has received the notice from Dr. Khan under Section 160 of the Companies Act 2013 proposing his candidature as Director alongwith the prescribed deposit of Rs. 100000/-

In the same Board Meeting, Dr. Khan was appointed as Whole-time Director -Legal & Company Secretary, of the Company effective from 22nd May 2015, subject to the approval of the shareholders in the General Meeting and Central Government, if any.

Dr. Khan, aged 47 years, is a Company Secretary from the Institute of Company Secretaries of India, Chartered Secretary from the Institute of Chartered Secretaries and Administrators, UK and a Law graduate. He has also done PhD in Corporate Governance. Dr. Khan has 23 years of rich experience at senior level positions in the legal field. He has also completed Mahler Leadership Course.

Dr. Khan has been associated with the Company since November, 2009 as Director – Corporate & Legal Affairs & Company Secretary. Prior to joining the Company, he was Company Secretary of Goodyear India Limited.

Dr. Khan, hold 5 equity shares in the Company.

Save and expect Dr. Khan as mentioned above, none of the other directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item no. 6 & 13. Accordingly, the Board recommends the resolution set out in Item No. 6 & 13 for your approval as Ordinary and Special Resolution respectively.

Dr. Khan is not disqualified from being appointed as a Whole-time Director -Legal & Company Secretary, in terms of the Companies Act and has given his consent to be appointed as a Whole-time Director-Legal & Company Secretary.

The Board had considered him the most suitable for the position of Whole Time Director-Legal & Company Secretary of the Company. Accordingly the Board recommends appointment of Dr. Khan, as Director liable to retire by rotation and propose to pass the resolution set out in Item no. 13 of the notice as Special Resolution.

Statement containing information as required under Section II of Part II of Schedule V of the Companies Act, 2013 and to be given in the notice of the General Meeting :

1. General Information

i) Nature of Industry	Manufacturer of Piston Rings, Pistons, Piston pins, Sintered Products etc. for all types of Automotive & Industrial engines.
ii) Date or expected date of commencement of commercial production	Not applicable as the Company is in Commercial production.
iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable.
iv) Financial performance based on given indicators	As given under "Ten Years' Financial Review" of the Annual Report .
v) Foreign investments or collaborations, if any.	Federal Mogul Corporation, USA holds 74.98% of the paid up Equity Capital of the Company through Federal Mogul GmbH, Germany & Federal Mogul Holding Limited, Mauritius.

2. Information about the appointee:

i) Background details, Recognition/ awards	<u>Dr. Khalid Iqbal Khan</u> Dr. Khalid Iqbal Khan, aged 47 years, is a Company Secretary from the Institute of Company Secretaries of India, Chartered Secretary from the Institute of Chartered Secretaries and Administrators, UK and a Law graduate. He has also done PhD in Corporate Governance. Dr. Khan has 23 years of rich experience at senior level positions in the legal field. He has also completed Mahler Leadership Course. Dr. Khan has been associated with the Company since November, 2009 as Director – Corporate & Legal Affairs & Company Secretary. Prior to joining the Company, he was Company Secretary of Goodyear India Limited.
ii) Past Remuneration	Total Cost to the Company Rs. 6161033/- P.A.
iii) Job profile and his suitability	Dr. Khalid Iqbal Khan is taking care of the overall Legal & Secretarial functions of the Company. He is responsible for implementation of various policies required under the Companies Act and other Acts. Being a member of the senior management team of the Company, he plays an important role in implementation of various significant business decisions. Considering his vast experience, the Board considered him the most suitable candidate for appointment as a wholetime Director of the Company.
iv) Remuneration proposed	As per the details given in Item 13.
v) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration is in tune with the current remuneration packages of similar managerial personnel of Companies belonging to the similar industry, size and with effective capital comparative to the Company. Further, it is commensurate with the qualification & experience of the appointee and in accordance with the highly competitive business scenario requiring recognition & reward of performance & achievement for retention of the best talent and motivation towards meeting the objectives of the Company.
vi) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Only to the extent of his entitlement to the remuneration as a managerial personnel.

3. Other information:

i) Reasons of loss or inadequate profits	Due to slowdown in the economy and the automobile sector, the profits of the Company are inadequate as reported in the annual report.
ii) Steps taken or proposed to be taken for improvement	The Management is taking necessary and adequate steps to improve the profitability of the Company. Continuous review of activities in different areas of operations has been an integral part of the Company's philosophy to maximize gains and reduce costs, in order to meet the market realities.
iii) Expected increase in productivity and profits in measurable terms.	The performance of the Auto component Sector is linked to the automobile sector. The growth of the automobile sector is dependent on the performance of the economy. Considering the measures taken by your Company and further plans and strategies, the Company is expected to perform better

4. Disclosure

The requisite information has been given under the section on Corporate Governance attached to the Annual Report.

**By Order of the Board,
For Federal-Mogul Goetze (India) Limited,**

**Sd/-
Dr. Khalid Iqbal Khan
Company Secretary
Membership No. F5993
Address: 2136, Mir Bukhari Street,
Turkman Gate, Delhi-110006.**

Date : 22nd May, 2015
Place : Gurgaon

Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Ms. Janice Ruskey Maiden
Date of Birth	16th April 1959
Original Date of Appointment	13th August 2014
Expertise in specific functional areas	Ms. Janice Ruskey Maiden, was also appointed as an Additional Non-Executive Director in the Board Meeting held on 13th August, 2014. Ms. Janice Maiden, aged about 56 years, is a Graduate in Textile Engineering from Philadelphia University, Philadelphia, PA, MSE/Executive Masters in Technology Management (EMTM) from University of Pennsylvania, Philadelphia, PA. and has undergone International Business Development Program under INSEAD - General Management Program (CEDEP), Fontaine Bleu, France. Ms. Maiden has 33 years of rich experience in technology exploration, product and business development.
Qualifications	Textile Engineering, MSE/Executive Masters in Technology Management (EMTM), International Business Development Program under INSEAD - General Management Program (CEDEP),
Directorships held in other companies (excluding foreign companies)	Nil
Committee position held in other committees	Nil
No. of shares held	Nil
Name of Director	Mr. Mukul Gupta
Date of Birth	16th August 1957
Original Date of Appointment	12th May 2006
Expertise in specific functional areas	Mr. Mukul Gupta is a Law Graduate and also has a Bachelors Degree in Economics (Hons) from Meerut University and has been practicing for many years as a Tax Advocate in the field of Sales Tax, Work Contract Tax, VAT and Service Tax. He has been providing Consultancy Services in different areas of tax to large multinationals as well as reputed Indian Companies. He is presently the National Vice President of the All India Federation of Tax Practitioners and had also held the responsibility as Secretary General for 2009 & 2010 of AIFTP. He is the Member of the Supreme Court Bar Association, New Delhi since 1985 and was also the Vice President of the Ghaziabad Tax Bar Association in 2001. He is also involved in giving advice to the Government of Uttar Pradesh with respect to improving the System of Sales Tax and implementation of VAT, which is helpful to Industries and Business in general. He was the President of Rotary Club in 1995-96 and received Presidential Citation for Integrity, Love and Peace. He is Member Governing Council of Center of Agrarian Research & Training.
Qualifications	Bachelor of Law.
Directorships held in other companies (excluding foreign companies)	Nil
Committee position held in other committees	Nil
No. of shares held	Nil

Name of Director	Mr. Mahendra Kumar Goyal
Date of Birth	1st November 1969
Original Date of Appointment	13th August 2014
Expertise in specific functional areas	Mr. Mahendra Kumar Goyal was appointed as an Additional Non-executive Independent Director in the Board Meeting held on 13th August, 2014 for a period of 5 years. Mr. Mahendra Kumar Goyal, aged 46 years, is a Chartered Accountant, Company Secretary & Cost Accountant with an Advanced Management Program Certificate from Oxford University. He dedicatedly served Anand Group for over almost 20 years and handled positions of increasing responsibility in the areas of Finance, Controlling, Treasury, Corporate Governance, Board and Legal matters. In his current capacity, Mr. Goyal is overseeing the entire After Market operations, including After Market Exports at the Group level.
Qualifications	Chartered Accountant, Company Secretary, Cost and Management Accountant and Advance Management Program Certificate.
Directorships held in other companies (excluding foreign companies)	<ul style="list-style-type: none"> ● Federal-Mogul Anand Bearings India Limited (Formerly known as Federal-Mogul Bearings India Limited.) ● Faurecia Emissions Control Technologies India Pvt. Ltd. ● Henkel Teroson India Limited. ● Anand I-Power Ltd. (Formerly known as Perfect Circle India Limited) ● Valeo Friction Materials India Limited. ● Valeo Service India Auto Parts Private Limited ● Victor Gaskets India Limited. ● Federal-Mogul Anand Sealings Limited (Formerly known as Anand I-Seal Limited)
Committee position held in other committees	<ol style="list-style-type: none"> 1. Federal Mogul Bearings India Ltd. : <ul style="list-style-type: none"> - Audit Committee, Member - Stakeholders' Relationship Committee - Corporate Social Responsibility Committee, Member - Nomination & Remuneration Committee, Member 2. Faurecia Emissions Control Technologies India Pvt. Ltd.: <ul style="list-style-type: none"> - Audit Committee, Chairman - Corporate Social Responsibility Committee, Chairman 3. Henkel Teroson India Ltd. : <ul style="list-style-type: none"> - Audit Committee, Member - Corporate Social Responsibility Committee, Chairman 4. Anand I-Power Ltd. (Formerly known as Perfect Circle India Ltd.) : <ul style="list-style-type: none"> - Audit Committee, Member - Stakeholder's Relationship Committee, Chairman 5. Valeo Friction Materials India Ltd. : <ul style="list-style-type: none"> - Audit Committee, Chairman - Corporate Social Responsibility Committee, Chairman 6. Victor Gaskets India Ltd. : <ul style="list-style-type: none"> - Audit Committee, Chairman - Corporate Social Responsibility Committee, Member - Stakeholders Relationship Committee, Chairman
No. of shares held	Nil

Name of Director	Mr. K N Subramaniam
Date of Birth	15th July 1953
Original Date of Appointment	30th April 2009
Expertise in specific functional areas	Mr. K. N. Subramaniam holds a Bachelors degree in Technology (B Tech.) from University of Madras, and Masters in Business Administration from Indian Institute of Management, Ahmedabad. He has been associated with Automotive industry in India for well over two decades apart from other industries like Oil and Gas, EPC contracts in Water and Waste Water Treatment. He has extensive knowledge and rich experience of Indian Automotive Industry and is well known in the Industry. He had been with Anand Automotive for over 30 years and moved through many of the Group Companies starting from Purolator India Ltd. During the period 1998-2008 he had been President and Director for 3 years and for 7 years as Managing Director and CEO of Gabriel India Ltd.
Qualifications	Bachelor Degree in Technology (B.Tech.) and Masters in Business Administration (MBA)
Directorships held in other companies (excluding foreign companies)	GKN Driveline India Limited Federal-Mogul TPR (India) Limited
Committee position held in other committees	<ol style="list-style-type: none"> 1. GKN Driveline India Limited : <ul style="list-style-type: none"> - Audit Committee, Member - Nomination & Remuneration Committee, Member 2. Federal-Mogul TPR (India) Limited <ul style="list-style-type: none"> - Audit Committee, Member - Corporate Social Responsibility Committee, Member - Nomination & Remuneration Committee, Member
No. of shares held	Nil

Name of Director	Mr. Sunit Kapur
Date of Birth	12th November 1974
Original Date of Appointment	8th May 2012
Expertise in specific functional areas	Mr. Sunit Kapur, is a Mechanical Engineer from the Punjab University and has also done General Management Programme at CEDEP (INSEAD). Mr. Kapur has been associated with the Company since 1994. He has around 21 years of rich experience in Manufacturing, Engineering, Projects, TPM, Operation, Supply Chain Management and General Management. He began his career as Production Manager at the Patiala Plant of the Company and has been instrumental in introduction of various new processes and changes over his tenure of 21 years with the Company. His professional skills and abilities accumulated through intensive On the Job and Off the Job trainings from eminent Global Management and Technical Experts. Prior to his appointment as Managing Director, Mr. Sunit Kapur was holding the position of Executive Director Operations. Presently he is Vice President and General Manager - Global Ignition in Federal Mogul.
Qualifications	Mechanical Engineer
Directorships held in other companies (excluding foreign companies)	Federal-Mogul Ignition Products India Limited
Committee position held in other committees	Nil
No. of shares held	Nil

Name of Director	Mr. Bernhard Georg Motel
Date of Birth	18th April 1968
Original Date of Appointment	8th May 2012
Expertise in specific functional areas	Mr. Bernhard Motel holds Master Degree in Engineering from Berlin, Germany. He has around 17 years experience in the industry. He has held several senior management positions in Federal -Mogul. Presently, he is Senior Vice- President and General Manager Global Piston BU, in Federal Mogul.
Qualifications	Master Degree in Engineering
Directorships held in other companies (excluding foreign companies)	Nil
Committee position held in other committees	Nil
No. of shares held	Nil

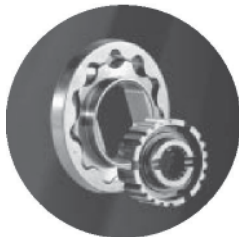
Name of Director	Dr. Khalid Iqbal Khan
Date of Birth	15th July 1968
Original Date of Appointment	22nd May 2015
Expertise in specific functional areas	Dr. Khalid Khan, aged 47 years, is a Company Secretary from the Institute of Company Secretaries of India, Chartered Secretary from the Institute of Chartered Secretaries and Administrators, UK and a Law graduate. He has also done PhD in Corporate Governance. Dr. Khan has 23 years of rich experience at senior level positions in the legal field. He has also completed Mahler Leadership Course. Dr. Khan has been associated with the Company since November, 2009 as Director – Corporate & Legal Affairs & Company Secretary. Prior to joining the Company, he was Company Secretary of Goodyear India Limited. The Board had considered him the most suitable for the position of Whole Time Director-Legal & Company Secretary of the Company
Qualifications	Company Secretary, Chartered Secretary from UK, Bachelor of Law and PhD in Corporate Governance
Directorships held in other companies (excluding foreign companies)	1. Federal-Mogul Ignition Products India Limited 2. Federal-Mogul Motorparts (India) Limited
Committee position held in other committees	1. Federal-Mogul Ignition India Limited : - Audit Committee, Member - Nomination & Remuneration Committee, Chairman - Corporate Social Responsibility, Member 2. Federal-Mogul Motorparts (India) Limited : - Audit Committee, Member - Nomination and Remuneration Committee, Chairman

By Order of the Board,
For Federal-Mogul Goetze (India) Limited,

Sd/-
Dr. Khalid Iqbal Khan
Company Secretary
Membership No. F5993
Address: 2136, Mir Bukhari Street,
Turkman Gate, Delhi-110006.

Date : 22nd May 2015,
Place : Gurgaon

Contents



Board of Directors	2
Ten Year's Financial Review	3
Director's Report	4
Annexure to Directors' Report	8
Corporate Governance Report	10
Auditor's Report	21
Balance Sheet	24
Profit & Loss Account	25
Schedules 1 to 49 forming part of Balance Sheet and Profit & Loss Account	26
Cash Flow Statement	50
Statement regarding subsidiary companies pursuant to Section 212 of the Companies Act, 1956	51
SUBSIDIARY :	
Federal-Mogul TPR (India) Limited	52
Consolidated Financial Statements	73

BOARD OF DIRECTORS

Chairman & Director

Mr. K.N. Subramaniam



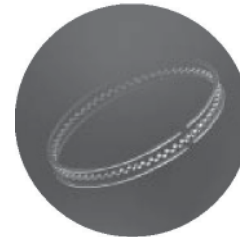
Whole Time Managing Director

Mr. Andreas Wilhelm Kolf



Whole Time Director - Legal & Company Secretary

Dr. Khalid Iqbal Khan



Directors

Mr. Sunit Kapur

Mr. Bernhard Motel

Mr. Mukul Gupta

Ms. Janice Ruskey Maiden

Mr. Mahendra Kumar Goyal



Cheif Financial Officer

Mr. Manish Chadha

Auditors

M/s. Walker, Chandio & Co.

REGISTRAR AND SHARE TRANSFER AGENTS

Alankit Assignments Limited
Corporate Office, 'Alankit Heights'
1E/13, Jhandewalan Extn.
New Delhi 110 055
Ph. No. 011-23541234, 42541952
Fax No. 011-42541967
Email: rta@alankit.com

REGISTERED OFFICE

G-4, J.R Complex, Gate No.-4,
Mandoli Delhi - 110093.
Phone : +91-11-71745675
Fax : +91-11-71745670

WORKS

1. Bahadurgarh, Patiala (Punjab)
2. Yelahanka, Bengaluru (Karnataka)
3. SPL 1240-44, RIICO Industrial Area,
Phase-I Extn., Bhiwadi (Rajasthan)
4. Plot No. 46, Sector-11,
IIE-Pantnagar,
Udham Singh Nagar,
(Uttarakhand)

BANKERS

Deutsche Bank AG
HDFC Bank Ltd.
ING Vysya Bank Limited
State Bank of India
State Bank of Patiala
Axis Bank Limited
Yes Bank Limited

TEN YEARS' FINANCIAL REVIEW

	March 2015 (15 months)	Dec. 2013	Dec. 2012	Dec. 2011	Dec. 2010	Dec. 2009	Dec. 2008	Dec. 2007	Dec. 2006 (9 months)	March 2006
Total Income	1,70,452.08	1,26,832.80	1,31,370.48	1,26,312.25	1,02,405.62	84,041.87	79,762.07	72,028.57	46,809.82	53,291.21
Depreciation	8937.31	6,613.55	6,193.52	5,365.89	4,822.46	4,949.23	4,634.14	4,292.16	2,819.65	3,417.02
Profit before Tax	4745.73	3,035.85	(1,383.93)	4,864.01	4,569.31	5,067.48	(517.00)	(1,782.69)	(561.05)	(4,244.81)
Taxation (adjmt for excess provision for prev.yr. written back if any)	1610.19	977.29	251.82	1,117.84	1,130.39	457.87	172.23	79.74	70.30	810.74
Profit after Tax	3135.54	2,058.56	(1,635.74)	3,746.17	3,438.92	4,609.61	(689.23)	(1,862.43)	(631.35)	(5,055.55)
Dividend	-	-	-	-	-	-	-	-	-	-
Dividend Tax	-	-	-	-	-	-	-	-	-	-
Retained Profit/(Loss)	3135.54	2,058.56	(1,635.74)	3,746.17	3,438.92	4,609.61	(689.23)	(1,862.43)	(631.35)	(5,055.55)

Assets Liabilities & Net Worth

	March 2015	Dec. 2013	Dec. 2012	Dec. 2011	Dec. 2010	Dec. 2009	Dec. 2008	Dec. 2007	Dec. 2006	March 2006
Fixed Assets	52409.45	50,710.79	49,557.25	46,346.75	39,043.60	38,348.16	40,062.06	38,038.79	35,436.36	32,873.58
Investments	510.00	510.00	510.00	2,092.34	2,092.34	2,092.34	2,092.34	2,093.90	2,135.18	2,243.40
Indebtedness	21975.54	20,244.13	19,021.30	15,384.40	8,648.74	10,113.80	16,213.62	29,236.92	36,444.05	38,960.71
Share Capital	5563.21	5,563.21	5,563.21	5,563.21	5,563.21	5,563.21	5,563.21	3,262.09	2,528.75	2,528.75
Reserves	39514.26	36,378.72	34,320.16	35,955.90	32,209.74	28,770.82	24,150.79	14,362.21	6,497.10	7,128.45
Net Worth	45077.47	41,941.93	39,883.37	41,519.11	37,772.95	34,334.03	29,714.00	17,624.30	9,025.85	9,657.20

Significant Ratios

	March 2015	Dec. 2013	Dec. 2012	Dec. 2011	Dec. 2010	Dec. 2009	Dec. 2008	Dec. 2007	Dec. 2006	March 2006
A. Measurement of Investment										
Percentage of Return on Investment (annualised)	7.34	5.01	(2.40)	9.41	10.06	11.21	(1.11)	(3.86)	(1.59)	(1.19)
Percentage of Return on Equity (annualised)	10.91	7.42	(3.40)	12.27	12.67	15.82	(2.18)	(13.38)	(8.01)	(29.69)
Dividend Cover (Ratio)			-	-	-	-	-	-	-	-
B. Measurement of Performance										
Percentage of Profit before Tax to Sales	2.85	2.44	(1.06)	4.05	4.72	6.32	(0.68)	(2.61)	(1.25)	(7.39)
Percentage of Profit after Tax to Sales	1.88	1.65	(1.26)	3.12	3.55	5.75	(0.91)	(2.72)	(1.40)	(9.87)
C. Measurement of Financial Status										
Percentage of Term Loans to Tangible Net Worth	0.20	0.18	0.10	1.93	3.18	7.28	13.00	55.52	219.20	260.63
Current Ratio	0.93	0.90	0.83	1.04	1.12	0.99	0.73	0.83	0.88	1.18
D. General										
Dividend per Equity Share (Rs.)	-	-	-	-	-	-	-	-	-	-
Earnings per Equity Share (Rs.) (annualised)	5.64	3.70	(2.94)	6.73	6.18	8.29	(2.05)	(7.22)	(3.33)	(19.99)
Book Value per Equity Share (Rs.)	81.03	75.39	71.69	74.63	67.90	61.72	88.36	68.34	35.69	38.19

DIRECTORS' REPORT

Your Directors are pleased to present the 60th Annual Report and Audited Statement of Accounts for the financial year starting 1st January 2014 ending 31st March 2015.

FINANCIAL RESULTS

[Rs. in lacs]

	For the period 1st January, 2014 to 31st March, 2015	For the period 1st January, 2013 to 31st December, 2013
Total Income:		
Gross Sales	1,66,709.55	1,24,575.91
Less: Excise duty	13,056.65	10,878.74
Income from operations	1,53,652.90	1,13,697.17
Increase in inventories	3,326.78	2,055.04
Other income	3,742.53	2,256.90
Total Income	1,60,722.21	1,18,009.11
Operating profit before finance charges, depreciation and exceptional item	17,379.89	12,327.57
Finance Charges	3,696.85	2,678.17
Depreciation	8,937.31	6,613.55
Exceptional items	-	-
Net Profit before tax	4,745.73	3,035.85
Provision for the Taxation :	-	-
Current Tax	2500.00	884.50
Tax earlier Year	200.00	-
Deferred Tax	(1,089.81)	92.79
Profit after tax	3,135.54	2,058.56
Profit brought forward from last year	8,570.31	6,511.75
Surplus / (loss) carried forward to Balance sheet	11,705.85	8,570.31

The Ministry of Corporate Affairs (MCA) has vide its General Circular No. 08/2014 dated 24th April, 2014, clarified that the financial statements (and documents required to be attached thereto), Auditors' Report and the Directors' Report in respect of financial years that commenced earlier than 1st April, 2014, shall be governed by the relevant provisions/ Schedules/ Rules of the Companies Act, 1956, In view of this, the Directors' Report has been prepared as per the provisions of the Companies Act, 1956.

Operations

The Board of Directors of the Company in the Board meeting held on October 31, 2014 approved the change in the financial year of the Company from January-December to April-March effective April 1, 2014. In view of this, the current financial year comprises of a period of 15 months i.e. January 1, 2014 to March 31, 2015.

The Net income of the Company during the financial year ended 31st March 2015 was Rs.1,60,722.21 lacs as against Rs. 1,18,009.11 lacs for the financial year ended 31st December 2013.

During the year under review, the Company made a net profit after tax of Rs. 3,135.54 lacs as against the net profit after tax of Rs. 2,058.56 lacs in the previous financial year.

During the period from January 1, 2014 to March 31, 2015, the automobile component industry recovered in terms of business growth as compared to previous year. During first half of 2014, the automotive industry has provided mixed signals, as Light Vehicles and Commercial vehicles had a negative growth, however, strong growth was seen in the two wheeler and three wheeler market segments.

Auditors' Comments

The Auditors have made certain observations in their annexure to their report, concerning the accounts of the Company. The Management puts forth its explanations as below :

With regard to Auditor's observation on the utilization of short term borrowings for long term purposes, the Management is taking necessary remedial actions.

DIVIDEND

In view of requirement of funds for the operations of the Company, no dividend is recommended for the financial year ended 31st March, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS:

(a) Industry structures and developments

Indian auto component makers faced the heat of a global auto slowdown during first half of 2014. Due to the slipping growth in commercial vehicle and passenger car segments, the supplies of component makers

fell too. Two wheeler and three wheeler market segments, however, witnessed strong growth. The auto industry seems to be in recovery mode since July 2014.

Indian auto components industry treads a difficult path through an uncertain near term future. Operational excellence, scenario planning and risk management are poised to become the key arsenal for success. The auto component industry, globally has witnessed economic restructuring whose macro and micro-economic implications on nations and regions has been profound.

The slowdown of sales in several markets in the auto component industry was a short-term challenge, but loss of market share to increasing competition in the domestic markets was another key challenge for automakers over the long term.

A host of domestic factors in the form of decrease in fuel prices, and low interest rates as compared to previous year led to increase in the demand for cars.

Though, in the short term, the global economic uncertainties and domestic monetary tightening measures had built up a near term negative sentiment on the Indian auto component industry. However, the long term prospects of the industry are definitely perceived as a huge opportunity area.

DIRECTORS' REPORT (Contd.)

(b) Opportunities and Threats

Federal-Mogul continues to support the Company with its technical expertise. With widely recognized brands, superior technology, strong distribution network and a committed team of employees, the Company is well positioned to take advantage of the opportunities and withstand the market challenges. The Company strives to create sustainable profitable growth by using superior technology and maintaining product quality and offering wide range of products at competitive prices which will give us a competitive edge in the market. A progressive leadership has given direction to the establishment.

We believe our proactive steps and consistent implementation of our plans will allow us to prepare the company for growth as consumers regain confidence in the industry and vehicle demand increases.

The Company competes with many independent manufacturers and distributors of component parts. Management continues to develop and execute initiatives to meet the challenges of the industry and to achieve its strategy for sustainable global profitable growth.

There are limited sets of customers in our business, that is, the automobile manufacturers. Competition is intense, as we compete with suppliers both in the organized and unorganized segments. Technical edge, Specialization, innovation and networking will determine the success of the Company in this competitive environment.

Looking ahead, revenue is expected to improve, if Company is able to pursue its strategies. The Company is employing the best practices to proactively map the impact of its activities on its performance and profitability from economic environment and social perspectives.

(c) Segment wise or product wise performance

We operate mainly in two segments i.e. OEM's and the Aftermarket (Motorparts). The Company has a balanced approach to the OEM's and Motorparts, which helps us in capitalizing on our strengths in both segments and to respond to market fluctuations and customer strategies.

(d) Outlook

It has always been wafer thin margin rates and it could not get any thicker until the first half, with increased competition, weak sales and heavy discounts doled out by manufacturers to attract buyers. The second half of the financial year 2015-16 may hold the key to success for many auto component manufacturers in India, with new launches

coming up. It would be a mixed year for the auto component industry ahead. The auto component companies need to achieve significant productivity improvements in order to position themselves in the industry.

The Company will endeavor to revitalize in near future as consumers regain confidence and vehicle demand increases. To remain competitive in the challenging and demanding environment, the benchmark has to be high in anticipation of the stated and unstated need of the customers and markets.

(e) Risks and concern

The Company operates in an environment which is affected by various risks some of which are controllable while some are outside the control of the Company. However, the Company has been taking appropriate measures to mitigate these risks on a continuous basis. Some of the risks that are potentially significant in nature and need careful monitoring are listed hereunder:

Raw material prices:

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials and other inputs.

Foreign Currency Risks:

Exchange rate fluctuations may have an adverse impact on the Company

Technical Intensive Industry:

The automobile industry is a technical intensive industry and thus faced with a constant demand for new designs, knowledge of nascent technology to meet market requirements.

Cyclical nature of the Industry:

The Company's growth is linked to those of the automobile Industry, which is cyclical in nature. The demand for automobiles has a significant impact on the demand and prices of the products manufactured by the Company. A fall in the demand and / or prices would adversely impact the financial performance of the Company.

Increasing competition :

Increasing competition across both OEM's and after market segment, may put some pressure on market share.

Excess/ short capacity:

Estimation of optimal manufacturing capacities for our products is critical to our operations. Should we for any reason, not invest in capacity expansion in near future could result in stagnation in our sales. Conversely, in the event we over-estimate the future demand or due to general lowering of the customer demand due to recession, we may have excessive capacity, resulting in under utilization of assets and/or sale of surplus products at lower margin, which could have material adverse effect on the financial results of the company.

(f) Adequacy of Internal Control Systems

The Company has an audit committee headed by a non-executive independent director, inter-alia, to oversee the Company's financial reporting process, disclosure of financial information, performance of statutory and internal auditors, functions, internal control systems, related party transactions, investigation relating to suspected fraud or failure of internal audit control, to name a few, as well as other areas requiring mandatory review per Clause 49 of the Listing Agreement with the stock exchanges. The powers of the Audit Committee, inter-alia, include seeking information from any employee, directing the Company's internal Audit function, obtaining outside legal or other professional advice and investigating any activity of the Company within the Committee's terms of reference.

The Company has a well-defined internal control system, which aims at protection of Company's resources, efficiency of operations, compliances with the legal obligations and Company's policies and procedures.

Subsidiary Companies

Annual accounts of the Federal-Mogul TPR (India) Limited, subsidiary company and the related detailed information can be obtained on request by the shareholders of the company.

These are also available for inspection at the corporate office of the company and at the registered office of the subsidiary between 11 A.M. to 1 P.M. on all working days.

Abridged Financial Statements

In terms of the provisions of clause 32 of Listing Agreement, the Board of directors has decided to circulate the abridged annual report containing salient features of the balance sheet and profit and loss account to the shareholders for the financial year ending on March 31, 2015. Full version of the annual report will be available on Company's website www.federalmogulgoetzeindia.net and will also be made available to investors upon request.

In support of the green initiative of the Ministry of Corporate Affairs, the Company has also decided to send all future communications including the annual report through email to those shareholders, who have registered their e-mail id with their depository participant/ Company's registrar and share transfer agent. In case a shareholder wishes to receive a printed copy of such communications, he/she may please send a request to the Company, which will send a printed copy of the communication to the shareholder.

Directors' Responsibility Statement

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- In the preparation of annual accounts, the applicable accounting standards have been followed and that there have been no material departures;
- The Directors have selected such accounting policies and applied them consistently, except to the extent of deviations required for the better presentation of the accounts and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts of the company on a going concern basis.

Directors

Presently your Board consists of Nine (9) directors comprising of Mr. K.N. Subramaniam, Chairman and Non-executive Independent Director; Mr. Andreas Wilhelm Kolf, Whole Time Managing Director; Mr. Sachin Selot, Whole Time Finance Director and CFO, Dr. Khalid Iqbal Khan, Whole Time Director-Legal & Company Secretary; Mr. Mukul Gupta, Non-executive Independent Director; Mr. Sunit Kapur, Non-Executive Director; Mr. Bernhard Motel, Non-Executive Director; Mr. Mahendra Kumar Goyal, Non-executive Independent Director; and Ms. Janice Ruskey Maiden, Non-Executive Director.

In the Board Meeting held on 13th August, 2014, Mr. Mahendra Kumar Goyal, and Ms. Janice Ruskey Maiden were appointed as Additional Directors. Pursuant to the provisions of the Companies Act 2013 read with clause 49 of the listing Agreement, Mr. Mahendra Goyal was appointed as an Independent Director in the same Board Meeting. In the Board meeting held on May 22, 2015, the Board accepted resignation of Mr. Sachin Selot as Whole Time Finance Director and CFO of the company w.e.f. close of business hours on May 26, 2015. In the same Board Meeting, Dr. Khalid Iqbal Khan was appointed as Wholetime Director-Legal and Company Secretary.

In accordance with Article 109 of the Articles of Association of the Company, Mr. Sunit Kapur and Mr. Bernhard Georg Motel, Directors are retiring by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Pursuant to the provisions of the Companies Act 2013 read with clause 49 of the listing Agreement, Mr. K N Subramaniam and Mr. Mukul Gupta (existing Independent Directors) were appointed as Independent Directors in the Board meeting held on 13th February, 2015.

Public Deposits

As at 31st March, 2015, your company had no unclaimed fixed deposits. No fresh/ renewed deposits were invited or accepted during the financial year.

Auditors

The shareholders in the 59th annual general meeting of the company held on 23rd May 2014 had appointed M/s. Walker, Chandiook & Co., Chartered Accountants, New Delhi (Firm Registration No. 001076N), as statutory auditors to hold office from the conclusion of 59th annual general meeting till the conclusion of forthcoming annual general meeting.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, your directors propose before the shareholders the appointment of M/s Walker, Chandiook & Co., Chartered Accountants as the statutory auditors of the Company from the conclusion of the forthcoming annual general meeting upto the conclusion of 62nd annual general meeting, subject to ratification of such appointment by the shareholders in every annual general meeting held during the period. The written consent to such appointment and a certificate from M/s Walker, Chandiook & Co., Chartered Accountants has been received to the effect that the appointment is in accordance with the conditions prescribed under Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and they satisfy the criteria specified under Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

The Board of Directors appointed Ms. Deepika Gera, Company Secretaries as Secretarial Auditor of the Company for the financial year ended 31st March 2015. The Board has reappointed them as Secretarial Auditor for the financial year 2015-16.

Shifting of Registered Office

The registered office of the Company was shifted from 7870-7877, F-1, Roshanara Plaza Building, Roshanara Road, Delhi - 110007 to G-4, J.R Complex, Gate No.-4, Mandoli, Delhi - 110093 with effect from 28th February, 2014.

Human Resources

The employee relations have remained cordial throughout the year and industrial harmony was maintained. Measures for the safety, training and development of the employees, continued to receive top priority. The total number of salaried and hourly paid employees, as at March 31, 2015, stood at 4227.

Safety, Health and Environment Protection

The Company sustained its initiatives to maintain a pollution free environment by reduction/ elimination of waste, optimum utilization of power and preventive maintenance of equipment's and machineries to keep them in good condition. Safety and health of the people working in and around the manufacturing facilities is the top priority of the Company and we are committed to improve this performance year after year.

Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act, 2013, which came into force with effect from 1st April 2014, the Company has constituted Corporate social Responsibility (CSR) Committee. Presently, the committee comprises of the following members :-

- 1) **Mr. Andreas Wilhelm Kolf** : Chairman
- 2) **Dr. Khalid Iqbal Khan** : Member
- 3) **Mr. KN Subramaniam** : Member
- 4) **Mr. Mukul Gupta** : Member

The corporate social responsibility committee shall institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by Company. Pursuant to the provisions of Companies Act, 2013, the Company is required to spend 2% of the average profits of the company during the previous 3 financial years. Therefore, the Company has incurred the total allocated budget of Rs. 61.39 lacs on the CSR activities approved by CSR Committee and Board of Directors viz. Donation for education at SOS children's village at Rajpura and Bangalur, Supply of potable water, providing uniform in deaf and dumb school in Patiala, Repairing and Renovation in a Government school and renovation of garden in Bhiwadi

Corporate Governance Report

The company is committed to good corporate governance practices. The Board endeavors to adhere to the standards set out by the Securities and Exchange Board of India (SEBI) corporate governance practices and accordingly has implemented all the major stipulations prescribed.

A detailed corporate governance report in line with the requirements of Clause 49 of the listing agreement regarding the corporate governance practices followed by the Company and a certificate of compliance from Mr. Surendra Vashishtha, practicing company secretary form part of this Directors' Report

The company has following committees of the Board members, details of which are provided under corporate governance report:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee;

Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's views about the Industry, expectations/predictions, objectives etc may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied in these statements. The Company's operations may, inter-alia, be affected by the supply and demand situations, input prices and availability, changes in Government regulations, tax laws and other factors such as industry relations and economic developments etc. Investors should bear the above in mind.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed and forms a part of this report.

Particulars of Employees

Your Directors place on record their deep appreciation for the contribution made by the employees of the Company at all levels. Our industrial relations continue to be cordial.

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this report and accounts are being sent to all the members of the company, excluding the Statement of Particulars of Employees.

Any member interested in obtaining a copy of the said statement may write to the company secretary of the Company.

Acknowledgement

Your Directors acknowledge with sincere gratitude the co-operation and assistance extended by the Bank(s), Customers, Dealers, Vendors, promoters, shareholders, Government Authorities and all the other business associates during the year under review. The Directors also wish to place on record their deep sense of gratitude for the committed services of the Executives, staff and workers of the Company

For and on behalf of the Board

Andreas Wilhelm Kolf

Whole Time
Managing Director

Place: Gurgaon

Date: 22nd May 2015

Sachin Selot

Whole Time
Finance Director & CFO

ANNEXURE TO THE DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

a) The following energy conservation measures were taken:

- Maintaining of Electrical power factor of electrical power system above 0.99 for saving in KVAH electrical billing and reduction in losses;
- Replacement of new vacuum circuit Breakers with old technology Oil circuit Breakers, energy efficient pumps with old in-efficient pumps; compressed air Aluminium energy efficient pipes to reduce pressure drop and leakages in place of old MS pipes in two shops and old HT overhead conductor with Insulated overhead cables, thus reduction in losses.
- Installation of Energy efficient Screw Compressor with old reciprocating Compressor; Variable frequency drive for saving in power; LED lights in place of Fluorescent lights in Ring Fdy , Ring M/c shop ,Piston M/c shop Exports , Pin plant and piston Fdy; air dryer in compressor room; and cover on Holding Furnaces to reduce Heat losses.
- Implementation of energy efficient motors;
- Reduction in compressed air in air blowing application by reducing pressure from 6 bar to 3 bar;
- Elimination of High pressure line for saving in energy in PMS-2;
- Optimum use of Inducto therm furnace instead of pillar furnace in ring foundry;
- Less working of DG by approval of additional load from state electricity authority thus saving in HSD cost;
- Energy Audit in Compressed air system and Implementation of findings thereof;
- Hiring wheeling energy from outside agencies. Working on long term agreement for the same.

b) Additional Investment and proposal for reduction in energy consumption:

- Replacement of reciprocating compressor with rotary screw compressors; old fluorescent lamps with new LED lights and further replacement of 2 nos very old inefficient reciprocating air compressors.
- Installation of Aluminium Compressed air pipe in user end, distribution net work and generation end; air dryer in compressor room; energy efficient distribution Transformer; VCB in place of OCB to reduce losses in Ring Foundry; Refrigerant type air drier of 2 x 1000 cfm and thirstier control on holding furnaces and HT Furnaces.
- Plugging of compressed air leakages by replacing structure.

c) Impact of the above measures

The above measures results reduction in Energy consumption, saving in power cost, productivity Improvement and reduction in environment load.

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

1. Specific areas in which R & D was carried out by the company:

- Product development for engines with alternate fuels such as CNG & LPG.

- Implementing horizontal Die casting technology for Light Vehicle Diesel pistons.
- New ring configurations to meet lower fuel, lube oil consumption and Engine life.
- Introduction of the Casting simulation Software for casting optimisation and Knock off Runner, Riser design & Alf in thickness optimisation in Piston casting.
- Development of Low Friction Piston assembly to improve fuel efficiency.
- Improved designs for reduced lube oil consumption.
- Magma Casting Simulation to reduce foundry scrap.

2. Benefits derived as a result of above R & D

- Introduction of new products in the market.
- Better performance in terms of emission outputs, fuel consumption and lube oil consumption.
- Development of New Business.
- Customer Satisfaction.

3. Future plan of action

- Develop products that meet latest emission norms and meet the stringent fuel efficiency & oil consumption requirements of the market;
- To develop parts for the engines meeting emission regulations and improved performance in terms of fuel consumption, friction and lube oil consumption and LKR piston rings for improved fuel efficiency;
- To increase capacity for Chrome Ceramic Rings;
- To implement bushing technology for High end diesel applications;
- To introduce Automatic hard anodizing technology; premium surface technologies for pistons and rings;
- To upgrade the FATA machine for Elastoval-II pistons and forge plant for small diameter pistons;
- New coating GDC to be introduced for better wear performance;
- PVD coating technology to be introduced in the latest engines;
- Improved architecture pistons to be developed;
- New skirt coatings to be developed to reduce friction.

4. Expenditure on R & D (Rs. In lacs)

- Capital	409.24
- Recurring	512.60

Total 921.84

Total R & D Expenditure as a percentage of total turnover : 0.60

Technology absorption, adaptation and innovation

1. Efforts in brief made towards technology absorption, adaptation & innovation:

- The Company has successfully absorbed the technology for the manufacture of piston assembly conforming to Euro II, III & VI standards for Gasoline/Diesel/CNG applications;
- Installation of efficient Plating process for Piston Rings; Autogauging for inspection;

- chip melting plant and robotic Casting Machines i.e MLDB and Fata;
- Implementation of High Strength Alloys for diesel and gasoline pistons;
- Started casting simulation of Pistons with the Casting simulation software i.e MAGMA;
- Successfully absorbed technology for various stringent performance requirements from the market;
- Technology meetings conducted for knowledge transfer of latest engineering solutions.

2. Benefits derived as a result of above efforts;

- New Business
- Upgradation in Technology
- Customer Satisfaction
- Higher Product reliability
- Higher Productivity
- Improved product portfolio

3. Import of Technology for the last 5 years

Technology for	Year of Import	Status
Development of high strength piston material	2010	Implemented
Thin Napier Ring with serrations on OD	2010	Implemented
AV11D coating for pistons	2010	Implemented
Saltcore cleaning equipment	2010	Implemented
Automatic circlip, pin and laser marking	2010	Implemented
Crater Bond Checking Instrument	2010	Implemented
Salt Core Manufacturing	2011	Implemented
Introduction of ID & OD machining technology for rings	2011	Implemented
Development of Tapered contact land oil rings	2011	Implemented
Ring Peripheral Coating	2011	Implemented
Horizontal Casting of Pistons (MLDB)	2011	Implemented
Gallery cooled pistons manufacturing	2011	Implemented
New Surface coating materials AV13D	2011	Implemented
Robotic casting technology	2011	Implemented
GDV Burscheid	2011	Under installation and commissioning planned in 2016
PVDJapan	2013	Order under process
Auto gauging for inspection (indigenously developed)	2014	Implemented

C. ENVIRONMENT & SAFETY

The following measures were taken to reduce the pollution levels and safety:

- Plantation area developed as Karnal technology for absorption of treated water of ETP and STP to avoid stagnation of water;
- Trees are planted after development of new areas to balance Environment;
- Improvement in effluent treatment plant and Sewerage treatment plant to obtain best results of treated water;
- Installation of rain water charging system to increase the ground water level; piezometer by constructed bore well to check depth of ground water at regular interval; Air forced cooling system in Ring machine shop to Improve inside work environment temperature; centralized Chlorination

- system to improve working environment in Piston fdy; acid proof tiles in Rotary bath area / cooling tower area / chrome waste storage area; MS Treys below most the machines and Compressors for secondary containment to avoid land contamination; Wet scrubber in Moly spray area to Improve emission level; gas leakage detector in LPG bullet and Chlorine cyl. Areas; CCTV on strategic locations and centralized Argon gas supply to Piston foundry from single vessel installed outside the shop for safety in place of small cylinders;
- Reduction in natural resources to enhance coolant life by recycling of Emulsion coolant and sound pollution and heat stress in Compressor room by installing acoustic lined Screw Compressors;
 - Transfer of effluent water of Pin plant through overhead pipe to avoid ground contamination which was earlier through underground channel;
 - Effluent treated water is being used in lawns through fountains to save fresh water;

- RO water system is installed on shop floor areas for drinking water for health of workmen;
- Ambient air quality monitoring, Work zone monitoring, quality of ground water and treated water is monitored on regular interval;
- Modification in Honing machine area in ring m/c shop by shifting Hydraulic power pack on top with proper treys to counter land contamination due to oil leakages;
- Automatic chip drying and melting Plant with proper cyclone type wet scrubber to improve environment parameters;
- TPM (Total productive maintenance) activity initiated for keeping better health of machines;
- Implementation of safety on high risk machines like IDA , ADA and Honing m/cs with safety Guard Interlocking and safety on high risk machines like CNC slotting ,Pneumatic presses., Gap sizing m/cs.& Gap grinding m/cs .
- Imparting awareness training on Environment and safety;

- Certification from TUV of ISO 14001 for Environment and OHSAS -18001 for Health and safety and maintaining as per Standard;
- Light curtains category 1, installed on all 80 Casting m/c and in rough boring m/c in piston machine shop;
- Up-gradation of the electrical power panels;

D. FOREIGN EXCHANGE EARNING AND OUTGO

1. Exports : The Company made exports worth Rs. 1885.40 million for the year under review as compared to Rs. 1224.77 million for the corresponding previous year.
2. Foreign Exchange earned: Rs. 1885.40 million
Foreign Exchange Outgo: Rs. 455.39 million

Andreas Wilhelm Kolf

Managing Director
DIN : 00519780

Sachin Selot

Whole Time Finance Director & CFO
DIN : 06700360

Dr. Khalid Iqbal Khan

Company Secretary

CORPORATE GOVERNANCE REPORT

1. PHILOSOPHY

Federal-Mogul Goetze (India) Limited defines Corporate Governance as a process directing the affairs of the Company with integrity, transparency and fairness, so as to optimize its performance and maximize the long term shareholder value in legal and ethical manner, ensuring justice, courtesy and dignity in all transactions of the Company. Your Company is committed to good Corporate Governance in all its activities and processes.

The Company maintains the optimum combination of Executive, Non-executive and Independent Directors having rich experience in related sectors for providing premeditated direction to the Company. The Board of Directors always endeavor to create an environment of fairness, equity and transparency in transactions with the underlying objective of securing long term shareholder value, while, at the same time, respecting the right of all stakeholders.

2. BOARD OF DIRECTORS

a) Composition: The Board of Directors of the Company has an optimum combination of executive, non-executive and Independent directors having rich knowledge and experience in the industry and related sectors for providing strategic guidance and direction to the Company. Presently, the Company has nine Directors on its Board, out of which six are Non Executive Directors including one woman director. Moreover, 3 of the Non Executive Directors are Independent Directors. The Chairman of the Board is a Non - Executive Independent Director. The non-executive Independent Directors bring a wide range of expertise and experience to the Board.

During the year, there was no pecuniary relationship or business transaction by the Company with any non-executive Director, other than the sitting fee for attending the Board/ Committee meetings.

b) Details of Board Meetings held during the year 1st January, 2014 to 31st March, 2015

Date of Meeting	Board Strength	No. of Directors Present in person
28th February, 2014	6	3
9th May, 2014	6	4
13th August, 2014	8	4
31st October, 2014	8	6
13th February, 2015	8	7

Information placed before the Board :

Apart from the items that are required to be placed before the Board for its approval under the statutes, the following are also tabled for Board's Periodic Review/ Information, to the extent applicable:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results for the company and its operating divisions or business segments;
- Minutes of meetings of audit committee and other committees of the board;
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the company, or substantial non payment for goods sold by the company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc;
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

c) Information in respect of Directors being re-appointed is as under:

Mr. Sunit Kapur and Mr. Bernhard Georg Motel, Directors are liable to retire by rotation, in the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. Item regarding their re-appointment has been included in the notice of the ensuing Annual General Meeting.

Mr. Sunit Kapur, is a Mechanical Engineer from the Punjab University and has also done General Management Programme at CEDEP (INSEAD). Mr. Kapur has been associated with the Company since 1994. He has around 21 years of rich experience in Manufacturing, Engineering, Projects, TPM, Operation, Supply Chain Management and General Management. He began his career as Production Manager at the Patiala Plant of the Company and has been instrumental in introduction of various new processes and changes over his tenure of 21 years with the Company. His professional skills and abilities accumulated through intensive On the Job and Off the Job trainings from eminent Global Management and Technical Experts. Prior to his appointment as Managing Director, Mr. Sunit Kapur was holding the position of Executive Director Operations. Presently he is Vice President and General Manager - Global Ignition in Federal- Mogul Corporation.

Mr. Bernhard Motel holds Master Degree in Engineering from Berlin, Germany. He has around 17 years experience in the industry. He has held several senior management positions in Federal-Mogul. Presently, he is Senior Vice- President and General Manager Global Piston BU, in Federal Mogul.

Mr. Mahendra Kumar Goyal was appointed as an Additional Non-executive Independent Director in the Board Meeting held on 13th August, 2014 for a period of 5 years. Mr. Mahendra Kumar Goyal, aged 46 years, is a Chartered Accountant, Company Secretary & Cost Accountant with an Advanced Management Program Certificate from Oxford University. He dedicatedly served Anand Group for over almost 20 years and handled positions of increasing responsibility in the areas of Finance, Controlling, Treasury, Corporate Governance, Board and Legal matters. In his current capacity, Mr. Goyal has been overseeing the entire After Market operations, including After Market Exports at the Group level.

Ms. Janice Ruskey Maiden, was also appointed as an Additional Non-Executive Director in the Board Meeting held on 13th August, 2014. Ms. Janice Maiden, aged about 56 years, is a Graduate in Textile Engineering from Philadelphia University, Philadelphia, PA, MSE/Executive Masters in Technology Management (EMTM) from University of Pennsylvania, Philadelphia, PA. and has undergone International Business Development Program under INSEAD - General Management Program (CEDEP), Fontaine

Bleu, France. Ms. Maiden has 33 years of rich experience in technology exploration, product and business development.

Pursuant to the provisions of the Companies Act 2013 read with clause 49 of the listing Agreement, Mr. K N Subramaniam and Mr. Mukul Gupta (existing Independent Directors) were appointed as Independent Directors in the Board meeting held on 13th February, 2015.

Mr. K. N. Subramaniam holds a Bachelors degree in Technology (B Tech.,) from University of Madras, and Masters in Business Administration from Indian Institute of Management, Ahmedabad. He has been associated with Automotive industry in India for well over two decades apart from other industries like Oil and Gas, EPC contracts in Water and Waste Water Treatment. He has extensive knowledge and rich experience of Indian Automotive Industry and is well known in the Industry. He had been with Anand Automotive for over 30 years and moved through many of the Group Companies starting from Purolator India Ltd. During the period 1998-2008 he had been President and Director for 3 years and for 7 years as Managing Director and CEO of Gabriel India Ltd.

Mr. Mukul Gupta is a Law Graduate and also has a Bachelors Degree in Economics (Hons) from Meerut University and has been practicing for many years as a Tax Advocate in the field of Sales Tax, Work Contract Tax, VAT and Service Tax. He has been providing Consultancy Services in different areas of tax to large multinationals as well as Reputed Indian Companies. He is presently the National Vice President of the All India Federation of Tax Practitioners and had also held the responsibility as Secretary General for 2009 & 2010 of AITP. He is the Member of the Supreme Court Bar Association, New Delhi since 1985 and was also the Vice President of the Ghaziabad Tax Bar Association in 2001. He is also involved in giving advice to the Government of Uttar Pradesh with respect to improving the System of Sales Tax and implementation of VAT, which is helpful to Industries and Business in general. He was the President of Rotary Club in 1995-96 and received Presidential Citation for Integrity, Love and Peace. He is Member Governing Council of Center of Agrarian Research & Training.

Dr. Khalid Iqbal Khan was appointed as an Wholtime Director- Legal and Company Secretary in the Board Meeting held on 22nd May, 2015 for a period of 3 years. Dr. Khalid Khan, aged 47 years, is a Company Secretary from the Institute of Company Secretaries of India, Chartered Secretary from the Institute of Chartered Secretaries and Administrators, UK and a Law graduate. He has also done PhD in Corporate Governance. Dr. Khan has 23 years of rich experience at senior level positions in the legal field. He has also completed Mahler Leadership Course.

Dr. Khan has been associated with the Company since November, 2009 as Director - Corporate & Legal Affairs & Company Secretary. Prior to joining the Company, he was Company Secretary of Goodyear India Limited. The Board had considered him the most suitable for the position of Whole Time Director Legal & Company Secretary of the Company.

The terms of appointment as well as familiarisation programme of Independent Directors are available at the Company's website www.federalmogulgoetzeindia.net under the head Investors' Information.

d) Attendance at Board Meetings and last AGM and details of memberships of Directors in other Boards and Board Committees:

Name of the Director	Category	For the year from 1st January, 2014 to 31 st March, 2015 Attendance at		As on 31st March, 2015		
		Board Meeting (Total Meetings held - 5)	Last AGM 23 rd May 2014	Number of Directorships of other Indian Companies (Note1)	Committee Memberships of other Indian Companies (Note-2)	
					Member	Chairman
Mr. Andreas Wilhelm Kolf	WTMD	4	Yes	5	3	3
Mr. Sachin Selot	WTFD & CFO	5	Yes	3	3	2
Mr. Sunit Kapur	NED	1	No	1	0	0
Mr. Bernhard Motel	NED	1	No	0	0	0
Mr. Mukul Gupta	NEID	5	Yes	0	0	0
Mr. K. N. Subramaniam	CNEID	5	Yes	2	2	0
Mr. Mahendra Kumar Goyal (appointed w.e.f. 13th August, 2014)	NEID	2	No	8	7	1
Ms. Janice Ruskey Maiden (appointed w.e.f. 13th August, 2014)	NED	1	No	0	0	0

CNEID : Chairman and Non-Executive Independent Director

NEID : Non Executive Independent Director

MD : Managing Director

WTFD & CFO : Whole Time Finance Director & CFO

NED : Non Executive Director

Note 1 : The above excludes Foreign Companies.

Note 2 : Includes only Audit and Stakeholders' Relationship Committee in all Public Limited Companies and private companies that are either holding or subsidiary company of an Indian public limited company.

Code of Conduct

We at Federal-Mogul Goetze (India) Limited have laid down a code of conduct for all Board members and senior management of the Company. The code of conduct is available on the website of the Company i.e. www.federalmogulgoetzeindia.net. The code has been circulated to all the members of the Board and senior management and they have affirmed compliance with the code of conduct. A declaration signed by the Managing Director to this effect is attached to the Annual Report.

3. AUDIT COMMITTEE

a) Terms of Reference

The current terms of reference of the Audit Committee fully conform to the requirements of Clause 49 of the Listing Agreement as well as Section 177 of the Companies Act, 2013. These broadly include review of internal audit programme, review of financial reporting systems, internal control systems, ensuring compliance with statutory and regulatory provisions, discussions on quarterly, half yearly and annual financial results, interaction with senior management, statutory and internal auditors, recommendation for re-appointment of statutory auditors etc.

b) Composition, name of members and Chairman

Presently, the Audit Committee comprises of two Non-Executive Independent Directors and one Non-Executive Director viz. Mr. Mukul Gupta, Chairman (Non-Executive Independent Director), Mr. K.N. Subramaniam, Member (Non-Executive Independent Director) and Mr. Bernhard Motel, Member (Non- Executive Director).

Representatives of the Management, Finance Department, Company Secretary, Statutory Auditors and Internal Auditors are invitees to the meetings of the Audit Committee.

c) Meetings and Attendance

Details of Audit Committee Meetings held during the financial year 1st January, 2014 to 31st March, 2015

Date of Meeting	Strength of Committee	No. of Members present in person
28th February, 2014	3	2
9th May, 2014	3	2
13th August, 2014	3	2
31st October, 2014	3	2
13th February, 2015	3	3

Audit Committee Members Attendance during the financial year 1st January 2014 to 31st March 2015.

Name	Total Meetings held	No. of meetings attended in person
Mr. Mukul Gupta (Chairman)	5	5
Mr. K.N. Subramaniam	5	5
Mr. Bernhard Motel	5	1

The Audit Committee meeting was also held on May 22, 2015 to, inter-alia, consider the re appointment of Walker, Chandok & Co, Chartered Accountants (Firm Registration No. 001076N), as Statutory Auditors of the Company for the financial Year 2016, review of the audited financial results and Annual Accounts for the financial year ended 31st March 2015 with the statutory auditors and recommend the same to the Board for approval.

4. NOMINATION AND REMUNERATION COMMITTEE

At present, the Nomination and Remuneration Committee of the Company comprises of Mr. Mukul Gupta as the Chairman, Mr. K.N. Subramaniam and Mr. Bernhard Motel as Members. The Nomination and Remuneration Committee has been constituted for identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, carry out evaluation of every director's performance, laying down the criteria for performance evaluation of Independent Directors, determining qualifications, positive attributes and independence of a director and reviewing the remuneration of the Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration policy is in consonance with the existing industry practice.

a) Terms of reference

The current terms of reference of the Nomination and Remuneration Committee fully conform to the requirements of Clause 49 of the Listing Agreement as well as Section 178 of the Companies Act, 2013. These broadly include:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management and key managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the auto ancillary industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel & Functional Heads
- To provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

b) Meetings and Attendance

Details of Nomination and Remuneration Committee Meetings held during the financial year 1st January, 2014 to 31st March, 2015

Date of Meeting	Strength of Committee	No. of Members present in person	No. of Members Present through Conference Call
13th August 2014	03	02	00

Name	Total Meetings held	No. of meetings attended in person
Mr. Mukul Gupta (Chairman)	01	01
Mr. K.N. Subramaniam	01	01
Mr. Bernhard Motel	01	00

Nomination & Remuneration Policy and Evaluation criteria

The Nomination & Remuneration Policy has been formulated :

- to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- to determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the auto ancillary industry.
- to carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel & Functional Heads
- to provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.

The Nomination and Remuneration Committee has laid down the criteria for evaluation of Independent Directors. The criteria for evaluation consists of following

- The skills, relevant experience, expertise and personal qualities that will best complement the position ;
- Potential conflicts of interest and independence;
- Detailed background information and performance track record;
- The ability to exercise sound business judgement;
- availability to attend Board and Committee Meetings; and
- appropriate experience and/or professional qualifications.

Based on the performance evaluation of Independent Directors done by the Board of Directors in its meeting held on May 22, 2015, the performance of the Independent Directors has been found satisfactory.

Details of Remuneration to Directors for the year ended 31st March, 2015

Name of Executive Directors	Remuneration for the year ended 2014-15	Amount	Other Conditions
Andreas Wilhelm Kolf	- Salaries - Contribution to Provident & Other funds - Other Perquisites	4,95,00,000 51,37,303 30,58,000	Service Contracts : The Central Government accorded, its approval to appointment and payment of remuneration, effective 25th April, 2014 to 5th November 2016 Notice Period : 3 Months Severance Fees : Nil
Total		57695303	
Sachin Selot	- Salaries - Contribution to Provident & Other funds	86,55,211 35,46,052	Service Contracts : Memembers passed the resolution for appointment w.e.f. 6th Nov. 2013 to 5th Nov. 2016 Notice Period : 3 Months Severance Fees : Nil
Total		1,22,01,263	

- Notes:
- During the period under review, the Non-Executive Independent Directors received sitting fees of Rs. 20,000/- each for the meetings of the Board, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, meetings attended by them. Further, Non-executive Directors received sitting fee of Rs. 15000/- for each Share Transfer Committee meeting attended upto February 13, 2015 and Rs. 20000/- for each Share transfer committee meeting held thereafter. There are no other pecuniary relationships or transactions with the Company.
 - The Company does not have any stock option scheme.
 - The Non-executive directors do not have any pecuniary relationship or transactions among themselves.
 - Mr. Sachin Selot resigned in the Board Meeting held on May 22, 2015 effective close of Business hours on May 26, 2015

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

- The Stakeholders' Relationship Committee has been constituted to look into the redressal of stakeholders' and investors' complaints like transfer/ transmission/ demat/ remat/ consolidation of shares, issue of duplicate share certificates; loss of share certificates; change of address; non-receipt of Annual Report; Dividend Warrants etc.
- Currently, the composition of the Committee is as under:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Bernhard Motel	Chairman	Non-Executive Director
Mr. Mukul Gupta	Member	Non- Executive Independent Director
Mr. K.N. Subramaniam	Member	Non-Executive Independent Director
Mr. Andreas Wilhelm Kolf	Member	Whole Time Managing Director
Dr. Khalid Iqbal Khan	Member	Whole Time Finance Legal & Company Secretary

- Dr. Khalid Iqbal Khan, Company Secretary of the Company, has been nominated as the Compliance officer for this purpose.

• Shareholders' Complaints :

Number of shareholders complaint received	Number of shareholders' complaints not solved to the satisfaction of shareholders	Number of pending complaints
01	Nil	Nil

Note: The letters received from shareholders for routine matters such as requests for revalidation of dividend warrants; non-receipt of Annual Report, Dividend warrants were redressed/resolved/replied promptly in usual and proper manner to the entire satisfaction of the shareholders.

6. Separate Meeting of Independent Directors:

A separate meeting of Independent Directors of the Company was held on 26th March 2015 without the attendance of Non-independent directors & members of management, to interalia :

- review the performance of non-independent directors and Board as a whole;
- review the performance of the Chairperson of the Company, taking in to account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the Company management and Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present in the meeting.

7. ANNUAL GENERAL MEETINGS

Year	Location	Date & Time	Whether any special resolution passed
57th AGM (2011)	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003	11th June 2012 3.00 P.M.	1. To consider and approve the appointment and terms of appointment of Mr. Sunit Kapur as the Managing Director of the Company
58th AGM (2012)	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003	10th May, 2013 3.00 P.M.	No
59th AGM (2013)	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003	23rd May, 2014 3.00 P.M.	- To consider and approve the appointment and terms of appointment of Mr. Sachin Selot as the Whole-time Finance Director and CFO of the Company; - To consider and approve the appointment & terms of appointment of Mr. Andreas Wilhelm Kolf as Whole-time Managing Director of the Company

Postal Ballot:

No resolution has been passed as special resolution through postal ballot during the financial year ended 31st March, 2015. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

8. DISCLOSURES

- Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large
 - Details of number of Shares & Convertible Instruments held by Non-Executive Directors
 - Details of non compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the past three years.
 - Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements
- No materially significant related party transaction i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large was entered during the financial year ended 31st March 2015.
 - As on date, no Non-Executive Director holds any share in the Company.
 - None
 - As on date, the Company is in full compliance with the mandatory requirements of Clause 49. Further, following Non-mandatory requirements are also adopted by the Company :
 - At present, the Chairman of the Board is a Non-executive Independent Director. Who is entitled to sitting fee only for the Board and Committee Meeting held during the year.
 - Separate posts of Chairman and CEO. The Company has appointed non-executive Independent Directors as Chairman.
 - Reporting of Internal Auditors: The internal auditors report to the audit committee directly.

- Details of Familiarisation programme for Independent Directors
- Policy on Related Party Transaction

www.federalmogulgoetzeindia.net

www.federalmogulgoetzeindia.net

9. MEANS OF COMMUNICATION

Results

Quarterly/Half-Yearly/Yearly Financial Results of the Company were considered and approved by the Directors and the same were communicated to Stock Exchanges on the same day. During the year under review, these results were generally published in one English Daily i.e. Financial Express (all edition) and one Hindi Daily i.e. Jansatta, Delhi.

The results are available on the Company's website at www.federalmogulgoetzeindia.net All the official news releases are made available at the website.

Whether presentations were made to Institutional Investors or to the analysts ? No.

10. GENERAL SHAREHOLDERS INFORMATION

a. 60th Annual General Meeting

- Date and Time
- Venue

11th August 2015 at 11.00 A.M. at
Maple Emerald, Crystal Hall, National Highway-8,
Rajokri, New Delhi-110038
1st January, 2014 to 31st March, 2015

b. Financial Year

c. Financial Calendar (Tentative)

- Results for the quarter/half year ending June 30, 2015
- Results for the quarter/period ending September 30, 2015
- Results for the quarter/year ending December 31, 2015
- Results for the quarter/year ending March 31, 2016
- Annual General Meeting for the financial year ending March 31, 2016

Last week of July 2015
Last week of October 2015
Last week of January, 2016
Last week of May 2016
Last week of August 2016
5th August 2015 to 11th August 2015 (both days inclusive)

d. Book Closure date

e. Listing on Stock Exchanges

- Bombay Stock Exchange Limited
Phiroze JeeJee Bhoy Towers, Dalal Street, Mumbai-400001
- The National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai.
(See Note)

f. Stock Code

ISIN No.-NSDL
- CDSL

Bombay Stock Exchange-505744
National Stock Exchange-FMGOETZE
INE 529A01010
INE 529A01010

Note : Listing Fees for the year 2014-2015 has been paid to both, Bombay Stock Exchange Limited and National Stock Exchange. Annual custodian charges of Depository have also been paid to NSDL and CDSL.

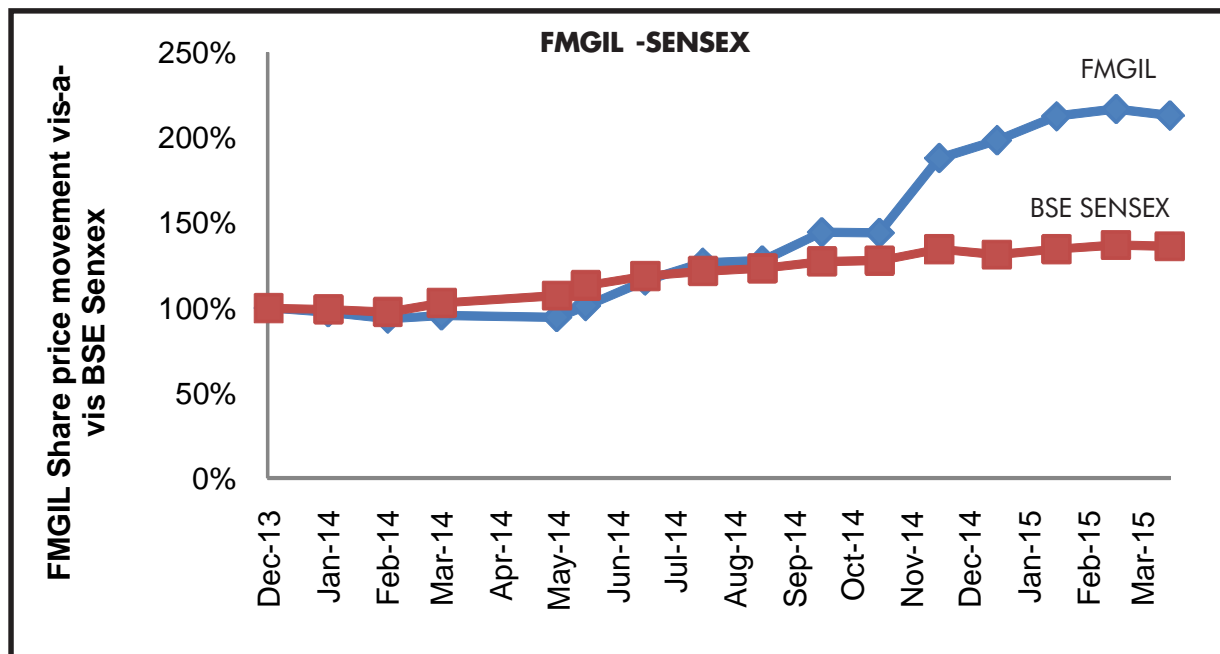
g. Stock Market Data*

Month	Bombay Stock Exchange, Mumbai				National Stock Exchange, Mumbai			
	Federal-Mogul Goetze (India) Limited's Share Price (Rs.)		Sensex		Federal-Mogul Goetze (India) Limited's Share Price (Rs.)		CNX Nifty	
	High	Low	High	Low	High	Low	High	Low
Dec-13	209.90	192.00	21483.74	20568.70	214.95	192.00	6415.25	6129.95
Jan-14	204.00	188.05	21409.66	20343.78	215.10	188.05	6358.30	6027.25
Feb-14	200.00	176.30	21140.51	19963.12	198.95	176.20	6282.70	5933.30
Mar-14	208.90	176.00	22467.21	20920.98	210.50	176.00	6730.05	6212.25
Apr-14	204.00	176.00	22939.31	22197.51	210.00	176.10	6869.85	6650.40
May-14	240.00	166.85	25375.63	22277.04	237.90	174.00	7563.50	6638.55
Jun-14	274.65	192.00	25725.12	24270.20	277.00	203.95	7700.05	7239.50
Jul-14	269.00	240.00	26300.17	24892.00	267.00	240.00	7840.95	7422.15
Aug-14	269.00	245.10	26674.38	25232.82	266.40	246.00	7968.25	7540.10
Sep-14	325.30	255.50	27354.99	26220.49	326.45	254.00	8180.20	7841.80
Oct-14	312.45	266.60	27894.32	25910.77	315.00	267.30	8330.75	7723.85
Nov-14	450.00	306.30	28822.37	27739.56	449.40	306.10	8617.00	8290.25
Dec-14	448.00	350.30	28809.64	26469.42	448.00	356.70	8626.95	7961.35
Jan-15	456.80	398.00	29844.16	26776.12	457.40	397.50	8996.60	8065.45
Feb-15	464.95	407.00	29560.32	28044.49	465.00	407.00	8941.10	8470.50
Mar-15	445.90	410.60	30024.74	27868.21	447.00	411.00	9119.20	8269.15

* Source : www.bseindia.com; www.nseindia.com

h. Comparison of Federal-Mogul Goetze (India) Limited Scrip movement with BSE Sensex (Month High)

Comparison of of Federal- Mogul Goetze (India) Limited scrip movement with BSE Sensex



i. Share Transfer System

- Alankit Assignments Limited, RTA Division, 'Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi 110055 is acting as the Registrar and Transfer Agent for the Equity Shares of the Company, w.e.f. 1st May 2005 to provide services in both Physical and Electronic Mode.
- The authority relating to share transfer has been delegated to the Share Transfer Committee. Presently, the Share Transfer Committee comprises of Dr. Khalid Iqbal Khan, Chairman, Mr. Mukul Gupta and Mr. K.N. Subramaniam as Members.
- Valid share transfers in physical form and complete in all respects are normally approved and registered generally within a period of a fortnight by the Share Transfer Committee. Valid demat requests are cleared twice in a week. The committee met 47 times during the financial year 2014-15 for approving transfers, transmission etc.
- Pursuant to clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half yearly basis, have been issued by the Company Secretary in practice for due compliance of share transfer formalities by the Company.

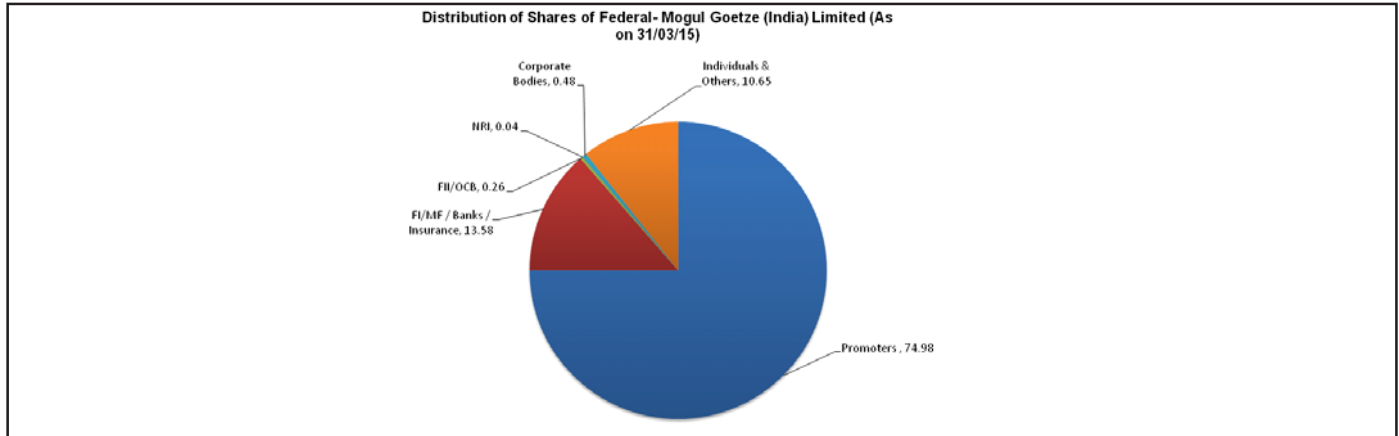
j. Distribution Schedule as on 31/03/2015

A] On the basis of shares held

No. of shares	No. of Shareholders	Percentage to total Shareholders	No. of shares held	Percentage to total shares held
UPTO 5000	16841	96.03	14010410	2.52
5001 - 10000	395	2.25	3012790	0.54
10001 - 20000	160	0.91	2354300	0.42
20001 - 30000	40	0.23	1034800	0.19
30001 - 40000	18	0.10	636110	0.11
40001 - 50000	20	0.11	950080	0.17
50001 -100000	29	0.17	2083140	0.37
ABOVE 100000	35	0.20	532239670	95.68
TOTAL	17538	100.00	556321300	100.00

B] On the basis of Category

Category	No. of Shareholders	Percentage to total Shareholders	No. of shares held	Percentage to total shares held
INDIVIDUALS	17092	97.46	5921421	10.65
CORPORATE BODIES	285	1.63	265129	0.48
FINANCIAL INSTITUTIONS / MUTUAL FUNDS/ BANKS/ INSURANCE COMPANIES	26	0.15	7554202	13.58
NON-RESIDENT INDIANS	115	0.65	23948	0.04
FOREIGN INSTITUTIONAL INVESTORS/ OVERSEAS CORPORATE BODIES	12	0.07	147149	0.26
PROMOTERS (NON-RESIDENT COMPANY)	2	0.01	41715454	74.98
OTHERS	6	0.03	4827	0.01
TOTAL	17538	100.00	556321300	100.00



k. Dematerialization of shares and Liquidity

As on 31st March 2015, 99.064% of the Equity Capital of the Company have been dematerialized .The shares of the company are traded on Mumbai Stock Exchange Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai and have good liquidity.

l. Outstanding GDR's / ADR's / Warrants Or any convertible instruments, conversion date and likely impact on equity. None

m. Plant Locations :

- | | | | |
|---------------------------------------|--|--|--|
| 1. Bahadurgarh
Patiala
(PUNJAB) | 2. Yelahanka
Bengaluru
(KARNATAKA) | 3. SPL 1240-44, RIICO Industrial Area
Phase I Extn., Bhiwadi
(RAJASTHAN) | 4. Plot No. 46, Sector-11,
IIE-Pantnagar, Udham Singh Nagar,
(UTTARAKHAND) |
|---------------------------------------|--|--|--|

n. Corporate office:

10th Floor, Tower B, Paras Twin Towers, Sector-54, Golf Course Road, Gurgaon, Haryana 122002, India.
Tel No: 0124-478 4530

Registered office:

G-4, J.R Complex, Gate No.-4, Mandoli Delhi - 110093.
Phone : +91-11-71745675, Fax : +91-11-71745670
email: investor.grievance@federalmogul.com
Website: www.federalmogulgoetzeindia.net

o. Registrar and Share Transfer Agent

Alankit Assignments Limited
'Alankit Heights' 1E/13, Jhandewalan Extn. New Delhi 110 055
Tel No: 011-23541234, 42541234/ Fax No.: 011-23552001/42541201

p. Compliance Officer :

Dr. Kahlid Iqbal Khan, Company Secretary

11. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under the policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15

No. of complaints received : Nil
No. of complaints disposed off : Nil

For and on behalf of the Board

Andreas Wilhelm Kolf
Whole Time Managing Director

Sachin Selot
Whole Time Finance Director & CFO

Place : Gurgaon
Date : 22nd May, 2015

DECLARATION OF MD

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copy of same is posted on the website of the Company viz. www.federalmogulgoetzeindia.net. Further certified that the Members of the Board and Senior Management Personnel have affirmed their compliance with the Code for the year ended 31st March, 2015.

Place : Gurgaon
Date : 22nd May, 2015

Andreas Wilhelm Kolf
Whole Time Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of
Federal-Mogul Goetze (India) Limited

We have examined the compliance of conditions of Corporate Governance of Federal-Mogul Goetze (India) Limited for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. The examination was limited to a review of the procedure and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of the information provided and according to the explanations given, it is certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that in respect of Investors grievances received during the year ended 31st March, 2015, no investor grievances were pending against the Company for a period exceeding one month as per the records maintained by the Company which were presented to the Shareholders/Investors Grievances Committee. All the Investor grievances against the Company were resolved amicably.

We further state that such certification as to compliance is neither an assurance of the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SURINDER VASHISHTHA & ASSOCIATE
COMPANY SECRETARIES

Place : Gurgaon
Date : 22nd May, 2015

SURINDER VASHISHTHA
C.P No. : 12313

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

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

To,
The Members,
Federal Mogul Goetze (India) Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Federal Mogul Goetze (India) Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Federal Mogul Goetze (India) Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering (1st January, 2014-31st March, 2015) the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Mumbai Stock Exchange and National Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

Few observations, corrections and compliances were advised to the Company during the audit which were diligently carried out by the Company under the review period itself.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period there were no instances of :

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

DEEPIKA GERA
Company Secretaries
FCS No. 3531
C P No : 7487

Place : NEW DELHI
Date: 22-05-2015

AUDITORS' REPORT

To The Members of Federal-Mogul Goetze (India) Limited Report on the Financial Statements

1. We have audited the accompanying financial statements of **Federal-Mogul Goetze (India) Limited**, ("the Company"), which comprise the Balance Sheet as at 31 March 2015, and the Statement of Profit and Loss and Cash Flow Statement for the period 1 January 2014 to 31 March 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us,

the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2015.
- ii) in the case of Statement of Profit and Loss, of the profit for the period 1 January 2014 to 31 March 2015; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the period 1 January 2014 to 31 March 2015

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the financial statements dealt with by this report are in agreement with the books of account.
 - d. in our opinion, the financial statements comply with the Accounting Standards notified under Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and
 - e. on the basis of written representations received from the directors as on 31 March 2015 under section 164(2) of the Companies Act, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013, provisions of which are consistent with clause (g) of sub-section (1) of section 274 of the Act.

Other Matter

9. The Ministry of Corporate Affairs ('MCA') had on 1 April 2014, vide its General Circular No. 07/2014, 'Dissemination of information with regards to the provisions of the Companies Act, 2013 as notified till date vis-a-vis corresponding provisions of the Companies Act, 1956', identified such sections of the Act that would cease/ continue to have effect from 1 April 2014. Accordingly, in terms of the aforesaid Circular, our

reporting in respect of clauses (iii), (v)(a) and (b), (vi), (viii), (xiv), (xviii) of the Companies (Auditor's Report) Order, 2003 (dealing with sections 49, 58A, 58AA, 209(1)(d) and 301 of the Act) is only for the period beginning from 1 January 2014 till 31 March 2014 since as per the aforementioned MCA Circular these sections have ceased to have effect from 1 April 2014.

For Walker Chandio & Co LLP formerly Walker, Chandio & Co)

Chartered Accountants
Firm Registration No.: 001076N/ N500013
per Neeraj Sharma

Partner

Place : Gurgaon
Date : May 22, 2015

Membership
No.: 502013

Annexure to the Independent Auditors' Report of even date to the members of Federal-Mogul Goetze (India) Limited, on the financial statements for the period 1 January 2014 to 31 March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets have not been physically verified by the management during the period, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) In our opinion, a substantial part of fixed assets has not been disposed off during the period.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the period except goods in transit.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii) (d) of the Order are not applicable.

- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix)(a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. Lacs)	Amount Paid Under Protest (Rs in lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Trade discount	33.74		2000 - 2004	Joint Commissioner of Central Excise, Bengaluru
The Central Excise Act, 1944	Excise duty on turnover discount	42.71		2000 - 2003	Central Excise and Service Tax Appellate Tribunal, Chennai
The Central Excise Act, 1944	Excise duty on turnover discount	189.48		2001 - 2006	Central Excise and Service Tax Appellate Tribunal.
The Central Excise Act, 1944	Cenvat credit availed twice	5.04		2005-2007	Central Excise and Service Tax Appellate Tribunal.
The Central Excise Act, 1944	Demand on removal of non-saleable stock removed from RG-1	8.57		July 2005 to December 2005	Commissioner - Central Excise
The Central Excise Act, 1944	Excise duty on capital goods	3.19		2010-2011	Assistant Commissioner (Central Excise), Bhiwadi, Rajasthan
The Central Excise Act, 1944	Classification of Light metal cylinder casting	6.97		1998-99	Joint Commissioner of Central Excise.
The Central Excise Act, 1944	Demand on sale of various types of scrap	3.33		2001-02	Additional Commissioner
The Central Excise Act, 1944	Demand in respect of Modvat credits on input and Capital goods	2.54		1995-96,2003-2004	Joint Commissioner of Central Excise, Patiala Punjab
The Central Excise Act, 1944	Demand in respect of Modvat credits on input and Capital goods	1.76		1997-99	Assistant Commissioner
The Central Excise Act, 1944	Interest on reversal of Special addition duty	14.02		2000-02	Central Excise & Service Tax Appellate Tribunal, Chandigarh
The Central Excise Act, 1944	Conversion of aluminum scrap into ingots from Colts department	15.14		2000-2001	Hon'ble Supreme Court
The Central Excise Act, 1944	Input tax credit on various expenses	16.61		2009-10	Joint Commissioner, Jaipur
The Central Excise Act, 1944	Input tax credit on various expenses	62.41		2008-11	Assistant Commissioner, Bhiwadi, Rajasthan
The Central Excise Act, 1944	Input tax credit on various expenses	695.23		2008-11	Central Excise and Service Tax Appellate Tribunal, Bengaluru
The Central Excise Act, 1944	Input tax credit on various expenses	153.84		2011	Commissioner & Commissioner Appeal
The Central Excise Act, 1944	Disallowance of service tax credit on various services	96.11		2005-11	Joint Commissioner of Central Excise, Patiala, Punjab
The Central Excise Act, 1944	Disallowance of service tax credit on various services	19.18		2006-07	Central Excise and Service Tax Appellate Tribunal, Chandigarh
The Central Excise Act, 1944	Availment of Cenvat on Job work charges	152.21		2011	Commissioner Central Excise, Bengaluru
The Central Excise Act, 1944	Disallowance of service tax credit on various services	16.79		2011-12	Hon'ble High Court of Karnataka
Karnataka VAT Act, 2003	Difference in VAT rates (classification issue)	97	140.81	1996-97 to 2001-02	Hon'ble High Court of Karnataka
Karnataka VAT Act, 2003	Difference in VAT rates (classification issue)	278.51	55	2005-06	Hon'ble High Court of Karnataka
Income tax Act, 1961	Disallowance of expenditure in relation to exempt income	3.05		2000-01	Hon'ble Supreme, Delhi
Income tax Act, 1961	Disallowance of expenditure in relation to exempt income	8.59		2001-02	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Interest free loan to subsidiary	72.68		2007-08	Income tax appellate tribunal
Income tax Act, 1961	Disallowance of development expenditure treated as capital in nature	68.45		2001-02	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Disallowance of certain expenses	158.01		2002-03	Income Tax Appellate Tribunal
Income tax Act, 1961	Loss in relation to diminution in value of shares disallowed	12.39		2001-02	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Brought forward losses of the amalgamating company denied	5,674.45		2002-03	Income Tax Appellate Tribunal
Income tax Act, 1961	Disallowance for amalgamating expenses	0.69		2002-03	Income Tax Appellate Tribunal
Income tax Act, 1961	Provision for expenses disallowed	85.17		1997-98	Hon'ble High Court, Delhi
Income tax Act, 1961	Disallowance of proportionate royalty expense	39.52		2005-06	Income Tax Officer
Income tax Act, 1961	Distribution of gift coupons to shareholders at AGM	16.54		1995-96 & 1996-97	Hon'ble High Court, Delhi
Income tax Act, 1961	Disallowance of exemption on dividend	66.55		1998-99	Hon'ble Supreme Court
Income tax Act, 1961	Addition of revaluation reserves to book profits	16.71		1998-99	Hon'ble Supreme Court
Income tax Act, 1961	Apportionment of common administrative costs	1.52		1997-98	Hon'ble High Court, Delhi
Income tax Act, 1961	Disallowance of lease rent expenses	345.8		1997-98	Hon'ble High Court, Delhi
Income tax Act, 1961	Applicability of interest u/s 234D	0.51		2000-01	Hon'ble Supreme Court, Delhi
Income tax Act, 1961	Disallowance of expenditure in relation to exempt income	21.21		1999-00	Hon'ble Supreme Court
Income tax Act, 1961	Addition to revaluation reserves to book profits	17.65		1999-00	Hon'ble Supreme Court
Income tax Act, 1961	Loss in relation to diminution in value of shares disallowed	19.23		2004-05	Income Tax Officer
UP VAT	Difference in VAT rates (classification issue)	82.78	10.291	2007-08	Commissioner UP
Karnataka VAT	Entry tax on import of capital goods	410	216	2007-11	Assistant Commissioner of Commercial Taxes, Audit Bangalore,
The Central Excise Act, 1944	Denial of Cenvat credit of excise duty/ service tax paid on common inputs/services,	393.78		2012-13	Commissioner & Commissioner Appeal
The Central Excise Act, 1944	CENVAT credit taken in respect of the said inputs or capital goods	5.81		2008-2011	Commissioner of Central Excise

Name of the statute	Nature of dues	Amount (Rs. Lacs)	Amount Paid Under Protest (Rs in lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Denial of Cenvat credit of excise duty/ service tax paid on common inputs/ input services,	472.94	-	2012-13	Commissioner & Commissioner Appeal
The Central Excise Act, 1944	Payment of service tax under GTA on inwards/ outwards freight	13.81	-	2009-12	Commissioner (Appeals)
The Central Excise Act, 1944	Payment of service tax under GTA on inwards/ outwards freight	18.13	-	2012-13	Joint Commissioner (Appeals)
The Central Excise Act, 1944	Service tax credit on security & advertising services	10.70	-	2011-13	Joint Commissioner (Appeals)
Delhi VAT Act 2004	VAT on sale of Fixed assets payable	613.93	-	2007-08	Delhi - Commissioner
Delhi VAT Act 2004	Non submission of C form and F forms	73.44	-	2008-09	Delhi - Commissioner
Bihar VAT Act 2005	non submission of Sales Invoices & Form F	25.66	16.5	2005-06	Deputy Commissioner, Patna
MVAT Act 2002	F-Form disallowed	9.2	-	2000-01	Sales tax Pune
West Bengal VAT Act 2003	Disallowance of sales return	1.76	-	2006-07	Assistant Commissioner (Kolkata)
West Bengal VAT Act 2003	Disallowance of pre-firm warranty materials	1.18	-	2006-07	Assistant Commissioner (Kolkata)
West Bengal VAT Act 2003	Disallowance of F form	1.87	-	2004-05	Assistant Commissioner (Kolkata)
West Bengal VAT Act 2003	Dispute in sales of gross turnover & stock transfer	1.56	-	2001-02	Assistant Commissioner (Kolkata)
The Central Excise Act, 1944	Input tax credit on various expenses	86.44	25	2006-07	Custom Excise & Service Tax Appellate Tribunal
The Central Excise Act, 1944	Input tax credit on various expenses	113.70	-	May 2005 to July 2005	Custom Excise & Service Tax Appellate Tribunal
Income tax Act, 1961	Disallowance of expenditure in relation to exempt income	1.99	-	2004-2005	Income Tax Officer
Wealth tax act, 1957	Disallowance of debt relating to taxable wealth	3.9	-	2006-07	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Disallowance of expenditure in relation to exempt income	3.56	-	2006-07	Income Tax Appellate Tribunal
Income tax Act, 1961	Interest free loan to subsidiary	70.68	-	2008-09	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Disallowance of prior period expenses	14.45	-	2008-09	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Disallowance of proportionate royalty expense	73.29	-	2008-09	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Disallowance of club expenses	1.63	-	2008-09	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Default notices on account of short deduction/ short payment of tax deduction at Source	19.06	-	2009-10 to 2015-16	Income tax Officer
Karnataka VAT Act, 2003	Sale made on concessional form.	1.36	1.38	2007-08	Assistant Commissioner, Bangalore
Karnataka VAT Act, 2003	Sales tax demand for the assessment year 2014-15	293	-	2014-15	Deputy Commissioner of Commercial Taxes
Rajasthan VAT Act 2003	Non submission of statutory form on the concessional sale	2.15	-	2008-09	Assistant commissioner, Bhiwadi
Rajasthan VAT Act 2003	Non submission of statutory form on the concessional sale.	0.03	-	2009-10	Commercial Tax Officer, Bhiwadi
Rajasthan VAT Act 2003	Sale tax demand on forms	306	-	2012-13	Assistant Commissioner, Bhiwadi
The Central Excise Act, 1944	VAT demand on the stock transfer - not allowed and tax on the stock transfer	32.11	-	2012-13	Commissioner, Uttar Pradesh
The Central Excise Act, 1944	Demand issued for non - submission of stock transfer forms in the audit.	30.19	-	2008-09	Pune, Deputy Commissioner,
The Central Excise Act, 1944	Service tax credit disallowed on the health service	134.00	-	2006-11	Commissioner
Income tax Act, 1961	Disallowance if expenditure in relation to exempt income.	1.77	-	2010-11	Commissioner of Income Tax Appeals
Income tax Act, 1961	Amount of proportionate royalty disallowed.	83.68	-	2010-11	Commissioner of Income Tax Appeals
Income tax Act, 1961	Dis-allowance of club expenses.	1.79	-	2010-11	Commissioner of Income Tax Appeals
Income tax Act, 1961	Management fee disallowed.	199.5	-	2011-12	Dispute Resolution Panel
Income tax Act, 1961	Advances written off disallowed.	17.85	-	2011-12	Dispute Resolution Panel
The Central Excise Act, 1944	Reversal of credit obtained on LPG	0.97	-	2014.15	Commissioner of Central Excise
The Central Excise Act, 1944	Dis-allowance of service tax credit	349.17	-	Aug 2013 to July 2014	Commissioner of Central Excise
The Central Excise Act, 1944	Service tax credit disallowed.	294.00	-	2012-13	Commissioner
The Central Excise Act, 1944	Payment of Service tax on PF & ESI contribution by FMGIL	4.54	-	2012-13	Deputy. Commissioner
The Central Excise Act, 1944	Service tax not paid on royalty	670.21	-	2008-13	Commissioner Service Tax
The Central Excise Act, 1944	Input credit on Job work Invoice issued by FMTPR	0.84	-	July 2011 to Feb 2013	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Disallowance of service tax credit.	611.96	-	01.03.2005 to 30.06.2008	Hon'ble High Court

- (x) In our opinion, the Company has no accumulated losses at the end of the financial period and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or a bank. The company does not have any outstanding debenture during the period.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) *In our opinion and based on an overall examination of the balance sheet of the Company, we report that the Company has utilized funds raised on short term basis through short term loans from bank and other current liabilities aggregating to ₹ 2,753 lacs for various long term purposes.*
- (xviii) During the period, the Company has not made any preferential allotment of shares to parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had

- any outstanding debentures during the period. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the period. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Walker Chandiook & Co LLP
(formerly Walker, Chandiook & Co)
Chartered Accountants
Firm Registration No.: 001076N

per Neeraj Sharma
Partner

Place: Gurgaon
Date: 22 May 2015

Membership
No.: 502103

Balance Sheet as at 31 March, 2015

	Notes	As at 31 March, 2015 Rs (in lacs)	As at 31 December, 2013 Rs (in lacs)
Equity and Liabilities			
Shareholders' Funds			
Share capital	3	5,563.21	5,563.21
Reserves and surplus	4	39,514.26	36,378.72
		45,077.47	41,941.93
Non-current liabilities			
Long-term borrowings	5	722.22	1,555.56
Deferred tax liabilities (net)	6	433.98	1,523.79
Other long term liabilities	7	396.94	278.38
Long-term provisions	8	6,038.65	6,165.62
		7,591.79	9,523.35
CURRENT LIABILITIES			
Short-term borrowings	9	21,253.32	18,688.57
Trade payables	10	22,334.88	17,553.22
Other current liabilities	11	2,169.79	2,521.53
Short-term provisions	8	197.00	143.83
		45,954.99	38,907.15
TOTAL		98,624.25	90,372.43
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	46,767.25	47,391.67
Capital work-in-progress		5,642.20	3,319.35
Non-current investments	13	510.00	510.00
Long-term loans and advances	14	3,170.01	4,145.95
		56,089.46	55,366.97
Current assets			
Current investments	15	-	-
Inventories	16	19,790.14	14,845.27
Trade receivables	17	17,293.25	14,664.50
Cash and bank balances	18	977.21	592.80
Short-term loans and advances	19	3,976.76	4,502.54
Other current assets	20	497.43	400.35
		42,534.79	35,005.46
TOTAL		98,624.25	90,372.43

Accompanying note form an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date.

For Walker Chandiook & Co LLP
(formerly Walker Chandiook & Co)
Chartered Accountants

per Neeraj Sharma
Partner
M. No.: 502103

Place: Gurgaon
Date: May 22, 2015

For and on behalf of the Board of Directors of
Federal-Mogul Goetze (India) Limited

Andreas Wilhelm Kolf
Whole Time Managing Director
DIN : 00519780

Dr. Khalid Iqbal Khan
Company Secretary

Sachin Selot
Whole Time Finance Director & CFO
DIN : 06700360

Statement of Profit and Loss for the period 1 January 2014 to 31 March 2015

	Notes	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
REVENUE			
Revenue from operations(gross)		1,66,709.55	1,24,575.91
Less: Excise duty		(13,056.65)	(10,878.74)
Revenue from operations(net)	21	1,53,652.90	1,13,697.17
Increase in inventories	22	3,326.78	2,055.04
Other income	23	3,742.53	2,256.90
Total Revenue		1,60,722.21	1,18,009.11
EXPENSES			
Cost of raw material and components consumed	24	55,112.52	39,483.52
Purchase of traded goods	25	5,379.44	3,776.98
Employee benefit expense	26	31,949.53	23,615.72
Depreciation and amortisation expenses	27	8,937.31	6,613.55
Finance cost	28	3,696.85	2,678.17
Other expenses	29	50,900.83	38,805.32
Total Expenses		1,55,976.48	1,14,973.26
Profit before tax		4,745.73	3,035.85
Tax expense			
Current tax		2,500.00	884.50
Tax earlier year		200.00	-
Deferred tax (reversal)/ charge		(1,089.81)	92.79
Total tax expenses		1,610.19	977.29
Profit/ (loss) for the period		3,135.54	2,058.56
Earnings per equity share (Rs.)			
Basic and diluted [Nominal value of shares Rs. 10]	30	5.64	3.70

Accompanying note form an integral part of these financial statements.
This is the Statement of Profit and Loss referred to in our report of even date

For Walker Chandiok & Co LLP
(formerly Walker Chandiok & Co)
Chartered Accountants

per Neeraj Sharma
Partner
M. No.: 502103
Place: Gurgaon
Date: May 22, 2015

For and on behalf of the Board of Directors of
Federal-Mogul Goetze (India) Limited

Andreas Wilhelm Kolf
Whole Time Managing Director
DIN : 00519780
Dr. Khalid Iqbal Khan
Company Secretary

Sachin Selot
Whole Time Finance Director & CFO
DIN : 06700360

Notes to financial statements for the period ended 31 March 2015

1. a) Corporate Information

Federal-Mogul Goetze (India) Limited ('FMGIL' or 'the Company'), is inter-alia engaged in the manufacture, supply and distribution of 'automotive components' used in two/three/four wheeler automobiles.

The principal facilities of the Company are located at Patiala (Punjab), Bangaluru (Karnataka) and Bhiwadi (Rajasthan), with its registered office in Delhi. The Company is listed at National Stock Exchange of India Ltd. and Bombay Stock Exchange.

Federal Mogul Holdings Limited, Mauritius, is the immediate parent company and ultimate parent company is Federal Mogul Corporation, USA.

b) Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Company (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

Pursuant to the requirement of Companies Act 2013, the Company has changed the financial year from January to December every year to April to March every year. Accordingly, the current financial year for a period of fifteen months commencing from January 1, 2014 and ending on March 31, 2015.

The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

2. Statement of Significant Accounting Policies

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized in the current and future periods.

b) Tangible fixed assets and Capital work-in-progress

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use i.e. freight, duties, taxes and other incidental expenses excluding cenvat in so far as this is duty available for set off against excise duty. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

c) Depreciation on tangible fixed assets

Depreciation is provided using straight line method and the same is determined based on management's assessment of assets useful lives and is calculated at the rates so determined, which are either equal to or higher than rates provided for such assets under Schedule XIV of the Companies Act, 1956.

Asset Class	Rate prescribed in Schedule XIV of Companies Act, 1956	Rates used by the company
(i) Land-Leasehold	-	over the life of lease of asset
(ii) Buildings - Factory	3.34%	3.34%
- Other	1.63%	1.63%
(iii) Furniture, fittings & office equipment	4.75% to 6.33%	4.75% to 6.33%
(iv) Plant & Machinery - Single Shift	4.75%	4.75%
- Double Shift	7.42%	7.42%
- Triple Shift	10.34%	10.34%
- Continuous process plant	5.28%	5.28%
(v) Vehicles - Employee	9.50%	33.33%
- Material Handling Vehicles	9.50%	11.31%
- Others	9.50%	9.50%
(vi) Computers	16.21%	16.21%
(vii) Dies and Moulds	11.31%	11.31% to 33.33%

- i) Plant and Machinery also includes self constructed machinery.
- ii) Depreciation on the amount of adjustment to fixed assets on account of capitalization of insurance spares is provided over the remaining useful life of related assets.
- iii) All assets costing upto Rs. 5000/- are fully depreciated in the year of purchase.

d) Impairment of tangible and intangible assets

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life

e) Intangible Assets

Intangible assets are stated at cost less amortization less impairment, if any. Cost comprises the purchase price and other directly attributable costs. Intangibles assets are amortised over their expected useful economic lives, on straight line basis, as follows:

Design and drawing, over a period of 5 years on straight line basis.

f) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term

g) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary, in the value of the investments.

h) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares and bought out tools.	Lower of cost and net realizable value. Cost represents purchase price and other direct costs and is determined on a moving weighted average cost basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
Constructed Tools	Lower of cost and net realizable value. Cost represents material, labour and appropriate allocation of overheads. Cost is determined on a weighted average basis.
Work-in-progress	Lower of cost and net realizable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Cost is determined on a weighted average basis.
Finished Goods: - Manufactured	Lower of cost and net realizable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Excise duty on stock lying with Company is added to the cost of the finished goods inventory. Cost is determined on a weighted average basis.
- Traded	Lower of cost and net realizable value. Cost represents purchase price and other direct costs and is determined on a moving weighted average cost basis.
Reusable scrap	At lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Provision for obsolescence is determined based on management's assessment and is charged to profit and loss account.

i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured

i) Sale of Goods:

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and are recorded net of excise duty, sales tax and trade discount.

ii) Job Work:

Income from job work is accrued when right of revenue is established, which relates to effort completed.

iii) Interest:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv) Dividends:

Revenue is recognised when the shareholder's right to receive payment is established by the balance sheet date.

v) Commission:

Commission income is accrued when due, as per the agreed terms.

vi) Export Benefits/Incentives:

Export entitlements under the Duty entitlement pass book (DEPB) Scheme/ Duty drawback scheme are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made.

vii) Management support charges:

Income from management support charges is recognized as per the terms of the agreement based upon the services completed.

viii) Lease Income :

Lease rental in respect of asset given under operating leases are recognized in the statement of profit and loss as and when they are due to be received.

j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

k) Foreign Currency Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

l) Retirement and Other Employee Benefits

(i) Provident fund contributions are charged to profit and loss, account, when contributions paid/payable are due to "Goetze India Limited Provident Fund Trust", administered by the trustees and to the Regional Provident Fund Commissioners. The Company accrues for the deficit in the Provident Fund trust as per the books of accounts of the Trust.

(ii) Gratuity liability under the Payment of Gratuity Act, 1972 is accrued on the basis of an actuarial valuation made at the end of each financial year. The actuarial valuation is done as per projected unit credit method.

(iii) Short term compensated absences are provided for based on estimates. Long term compensation liability for leave encashment is determined in accordance with company policy and is measured on the basis of valuation by an independent actuary at the end of the financial year. The actuarial valuation is done as per projected unit credit method.

(iv) Actuarial gains/losses are immediately taken to profit and loss account. However, recognition for actuarial gain is done only to the extent that the net cumulative unrecognized actuarial gains exceed the unrecognized part of transitional liability.

(v) **Superannuation Benefit**

The Company has superannuation obligation administered with Life Insurance Corporation of India (LIC). Contributions to the defined contribution scheme are charged to profit and loss account when contributions paid/ payable are due to such fund. There are no other obligations other than the contribution payable to the respective trusts.

m) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to statement of profit and loss and shown as MAT credit entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

n) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Provisions, contingent liability and contingent asset

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are usually not provided for, unless it is probable that the future outcome may be materially detrimental to the company. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefits is remote.

Contingent assets are not recognized in the financial statement.

p) Cash and Cash Equivalents

Cash and cash equivalents for cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

q) Segment Reporting

The company prepares its segment information in conforming with the account policies adopted for preparing and presenting the financial statements of the company as a whole.

Balance sheet and profit and loss account
Notes to Accounts
3 : Share Capital

Rs (in lacs)

	As at 31 March 2015	As at 31 December 2013
Authorized shares		
80,000,000 (as at 31 December 2013: 80,000,000) equity shares of Rs. 10/- each.	8,000.00	8,000.00
	8,000.00	8,000.00
Issued, subscribed and fully paid-up shares		
55,632,130 (as at 31 December 2013: 55,632,130) equity shares of Rs.10/- each	5,563.21	5,563.21
	5,563.21	5,563.21

(a) There is no movement in equity share capital during the current and comparative period.

(b) Right/restriction attached to equity shares.

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) **List of shareholders holding more than 5% of the equity share capital of the Company at the beginning and at the end of the reporting year**

Name of the shareholder	31 March 2015		31 December 2013	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Federal Mogul Holding Limited, Mauritius, the Parent company	3,34,08,581	60.05%	3,34,08,581	60.05%
Federal Mogul Vermögensverwaltungs GMBH, a Fellow subsidiary company	83,06,873	14.93%	83,06,873	14.93%
Reliance Capital Trustee Company Limited	54,79,189	9.85%	-	-

*The above information is furnished as per the shareholder register at the period end.

(d) **Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Name of the shareholder	31 March 2015		31 December 2013	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Federal Mogul Holding Limited, Mauritius, the Parent company	3,34,08,581	60.05%	3,34,08,581	60.05%
Federal Mogul Vermögensverwaltungs GMBH, a Fellow subsidiary company	83,06,873	14.93%	83,06,873	14.93%

(e) The Company has not issued any equity shares pursuant to any contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the current reporting period and immediately preceding four years.

4 : Reserves and Surplus

	As at 31 March 2015	As at 31 December, 2013
Capital redemption reserve	1,000.00	1,000.00
Capital reserve	56.55	56.55
Capital subsidy	1.12	1.12
Securities premium account	26,750.74	26,750.74
Surplus in the Statement of Profit and Loss		
Opening balance	8,570.31	6,511.75
Add: Profit for the period	3,135.54	2,058.56
Closing balance	11,705.85	8,570.31
Total	39,514.26	36,378.72

Rs. in Lacs

As at 31 March, 2015

As at 31 December, 2013

5. Long-term borrowings

Term loans (refer note (a))

Indian rupee loan from banks (secured)

722.22

1,555.56

722.22

1,555.56

"Note (a): Indian rupee loans amounting to Rs. 2,000 lacs from Yes Bank in two tranches of Rs 1,000 lacs each taken on 31 May 2013 and 28 June 2013 respectively, carries interest @ 12.20% p.a. Both tranches are repayable in 36 equal monthly instalments of Rs. 27.77 lacs each along with interest, after a moratorium period of 12 months from the date of disbursement of loan i.e. 31 May 2014 and 28 June 2014 respectively. The loan is secured by first parri passu charge on moveable assets of the Company including plant and machinery, spares, tools and accessories, furniture and fixtures and other movable assets of the Company, excluding vehicles." Current maturities of long term borrowings amounting to Rs. 666.67 lacs (Previous year: Rs. 444.44 lacs) are included under the head 'Other current liabilities (refer note 11).

6. Deferred tax liabilities (net)

Deferred tax liabilities

Impact of difference between depreciation as per tax books and depreciation and amortization charged for the financial reporting

3,649.38

4,036.24

3,649.38

4,036.24

Deferred tax assets

Impact of expenditure charged to the Statement of profit and loss in the current year but allowed for tax purposes on payment basis

Provision for employee gratuity

1,353.20

1,454.98

Royalty expenses

619.74

183.44

Provision for doubtful debts

51.22

28.91

Others

1,191.24

845.12

3,215.40

2,512.45

Deferred tax liabilities (net)

433.98

1,523.79

7. Other long-term liabilities

Trade deposits from dealers* (refer note (a))

396.94

278.38

396.94

278.38

*Deposits from vendors/ customers are considered as long term in view of long term business relationships.

8. Provisions

Long term
31 March,
2015

31 December,
2013

Short Term
31 March,
2015

31 December,
2013

Provision for employee benefits

Provision for gratuity (refer Note no. 37)

3,981.20

4,300.68

Provision for leave encashment

780.18

651.63

Provision for bonus

-

-

136.46

98.76

60.54

45.07

4,761.38

4,952.31

197.00

143.83

Other provisions

Provision for regulatory matters (refer note (a) below)

1,277.28

1,213.31

-

-

1,277.28

1,213.31

-

-

Total

6,038.66

6,165.62

197.00

143.83

Note (a)

Provision for regulatory matters

Opening balance

1,213.31

1,099.06

Provision made during the period

1,204.99

994.53

Utilised during the period

(1,141.02)

(880.28)

Closing Balance

1,277.28

1,213.31

Rs. in Lacs

As at 31 March, 2015

As at 31 December, 2013

9. Short-term borrowings

Secured

Working capital loans from banks (refer note (a))	7,600.00	5,500.00
Cash credit facilities from banks (refer note (a))	2,719.39	2,633.63
	10,319.39	8,133.63

Unsecured

Inter-corporate deposit (refer note (b))	8,815.00	9,655.00
Working capital loan (refer note (c))	2,118.93	838.94
Deposits from others (refer note (d))	-	61.00
	10,933.93	10,554.94

Total	21,253.32	18,688.57
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Note (a) :

- i. Indian rupees working capital loans and cash credit facilities are secured against hypothecation of current assets of the Company, both present and future with HDFC, Yes Bank, ING Vysya Bank, State Bank of India and Deutsche Bank. Cash credit facilities carries interest rate ranging from 10.00 % p.a to 12.50% p.a.
- ii. Details of working capital loans

Name of the bank	Amount of loan	Date of repayment	Interest rate
ING Vysya	3,800.00	1-April-2015	10.90%
State Bank of India	1,200.00	27-April-2015	11.25%
HDFC	1,100.00	9-May-2015	10.40%
HDFC	1,000.00	1-May-2015	10.50%
HDFC	500.00	21-April-2015	10.50%
	7,600.00		

Note (b): Inter-corporate deposits are repayable on demand and carry rate of interest ranging between 9.35 % p.a to 10.50 % p.a

Note (c): Indian rupees working capital loan and cash credit facilities taken from Bank of America is at interest rate of 10.5% p.a., which was repayable in 30 days from the date of loan.

Note (d) : Indian rupees loan amounting to Rs 61 lacs taken from Goetze India employee welfare trust is at interest rate of 8% p.a. Entire loan is repayable on 31 March 2014.

10. Trade payables

Dues to medium and small enterprises (refer Note no.42 for details of dues to micro and small enterprises)	205.43	131.87
Due to others (including acceptances)	20,087.66	16,136.72
Related party payables (refer note no. 34 for details)	2,041.79	1,284.63
	22,334.88	17,553.22

11. Other current liabilities

Current maturities of long-term borrowings (refer note no.5)	666.67	444.44
Interest accrued and due on term borrowings	14.95	20.72
Interest accrued and due on inter corporate deposits	68.37	80.88
Interest accrued but not due on borrowings	132.00	88.60
Trade/security deposits received	-	47.21
Statutory liabilities	1,287.80	1,839.68
	2,169.79	2,521.53

Rs. in Lacs

As at 31 March, 2015

As at 31 December, 2013

12. Tangible Assets

Particulars	Freehold Land	Leasehold Land	Building	Furniture & Fittings and Office Equipment	Plant and Machinery	Vehicles	Total Tangible Assets
Cost							
At 1 January 2013	1,485.16	362.87	8,744.98	1,432.15	77,004.22	372.06	89,401.44
Additions	-	-	953.96	108.85	7,235.82	-	8,298.63
Disposals	-	-	21.92	25.22	1,150.36	103.96	1,301.46
At 31 December 2013	1,485.16	362.87	9,677.02	1,515.78	83,089.68	268.10	96,398.62
At 1 January 2014	1,485.16	362.87	9,677.02	1,515.78	83,089.68	268.10	96,398.62
Additions	-	-	257.63	225.59	8,143.79	53.95	8,680.95
Disposals	-	-	62.42	116.64	1,632.92	17.26	1,829.24
At 31st March 2015	1,485.16	362.87	9,872.23	1,624.73	89,600.56	304.79	103,250.33
Depreciation							
At 1 January 2013	-	27.85	3,285.82	793.46	39,105.24	254.68	43,467.05
Charge for the period	-	-	306.42	70.83	6,196.26	24.45	6,597.96
Disposals	-	-	10.51	15.19	935.03	97.33	1,058.06
At 31 December 2013	-	27.85	3,581.73	849.10	44,366.47	181.80	49,006.95
At 1 January 2014	-	27.85	3,581.73	849.10	44,366.47	181.80	49,006.95
Charge for the period	-	-	409.10	100.20	8,385.92	42.09	8,937.31
Disposals	-	27.85	27.08	50.53	1,351.53	4.21	1,461.18
At 31 March 2015	-	-	3,963.75	898.79	51,400.86	219.68	56,483.08
At 31 December 2013	1,485.16	335.02	6,095.29	666.68	38,723.21	86.30	47,391.67
At 31 March 2015	1,485.16	362.87	5,908.48	725.94	38,199.69	85.11	46,767.25

12.1. Intangible assets

Particulars	Designs & Drawings and Patents & Trademarks	Total Intangible Assets
Cost		
At 1 January 2013	712.11	712.11
Additions	-	-
Disposals	-	-
At 31 December 2013	712.11	712.11
At 1 January 2014	712.11	712.11
Additions	-	-
Disposals	-	-
At 31 March 2015	712.11	712.11
Depreciation		
At 1 January 2013	696.52	696.52
Charge for the period	15.59	15.59
Disposals	-	-
At 31 December 2013	712.11	712.11
At 1 January 2014	712.11	712.11
Charge for the year	-	-
Disposals	-	-
At 31 March 2015	712.11	712.11
Net Block		
At 31 December 2013	-	-
At 31 March 2015	-	-

As at 31 March, 2015

As at 31 December, 2013

13. Non-current investments

Trade investments unquoted (valued at cost unless stated otherwise)

Investment in Subsidiary

(i) Equity shares

5,100,000 (as at 31 December 2013 : 5,100,000) equity shares of Rs. 10/- each in Federal-Mogul TPR (India) Ltd

510.00

510.00

(ii) Government securities

National savings certificates

1.32

1.32

Less: Provision for diminution in value of investment

(1.32)

(1.32)

-

-

(iii) Equity shares

923,000 (as at 31 December 2013 : 923,000) equity shares of Rs 5 each fully paid in GTZ Securities Limited

46.15

46.15

Less: Provision for diminution in value of investment

(46.15)

(46.15)

-

-

(iv) Preference shares

1,00,000 (as at 31 December 2013 : 100,000) 6% redeemable cumulative preference shares in Nanz Food Products Limited of Rs. 10/-each

10.00

10.00

Less: Provision for diminution in value of investment

(10.00)

(10.00)

-

-

510.00

510.00

Aggregate amount of unquoted investment

510.00

510.00

14. Long-term loans and advances

Minimum alternate tax credit entitlement

-

1,320.60

Capital advances (Unsecured, considered good)

1116.49

557.51

Security deposits (Unsecured, considered good)

2,011.50

1,087.09

Less: Provision for doubtful security deposits

(850.00)

-

Other loans and advances

Prepaid expenses

23.07

22.59

Advance tax (net of provision of tax Rs.5,270.82 lacs (as at 31 December 2013 : Rs. 2,548.47 lacs)).

868.95

1,158.16

3,170.01

4,145.95

15. Current investments

At lower of cost and fair value, unless stated otherwise

Unquoted equity shares

3,889,600 (as at 31 December 2013: 3,889,600) equity shares of Rs 5 each, fully paid in GI Power Corporation Limited

194.48

194.48

Less: Provision for diminution in the value of investment

(194.48)

194.48

-

-

Preference shares

17,528,800 (as at 31 December 2013:17,528,800) 8% cumulative convertible redeemable preference shares of Rs 5 each, fully paid in GI Power Corporation Limited

-

876.44

Less: Provision for diminution in the value of investment

-

(876.44)

Rs. in Lacs

As at 31 March, 2015

As at 31 December, 2013

16. Inventories (Valued at lower of cost and net realizable value)

Raw materials and components (including stock in transit Rs. 256.53 lacs (as at 31 December 2013 : Rs. 247.48 lacs))	2,835.34	1,796.51
Work-in-progress	6,061.66	4,485.99
Finished goods	8,521.61	6,897.75
Traded goods	1,013.54	886.32
Stores and spares (including stock in transit Rs. Nil (as at 31 December 2013 : Rs. 38.73 lacs))	1,357.99	778.70

Total	19,790.14	14,845.27
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17. Trade Receivables

Outstanding for a period exceeding six months from the date they are due for payment

Unsecured considered doubtful	36.19	36.08
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36.19	36.08
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Less: Provision for doubtful debts	(36.19)	(36.08)
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Outstanding for a period less than six months from the date they are due for payment

Secured considered good	396.95	278.38
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Unsecured, considered good	16,896.30	14,386.12
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Unsecured, considered doubtful	114.49	53.34
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17,407.74	14,717.84
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Less: Provision for doubtful debts	(114.49)	(53.34)
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17,293.25	14,664.50
------------------	-----------

17,293.25	14,664.50
------------------	-----------

18. CASH AND BANK BALANCES

Cash and cash equivalents

Cheques on hand	0.01	9.33
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Balances with bank held as margin money

- with original maturity upto 3 months (pledged with government authorities)	-	15.09
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Balances with scheduled banks:

- in current accounts	580.21	155.83
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580.22	180.25
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Other Bank Balances

Balances with bank held as margin money

with maturity more than 3 months but less than 12 months

(Pledged with Government authorities)	396.99	412.30
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with maturity more than 3 months but less than 12 months	-	0.25
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396.99	412.55
---------------	--------

977.21	592.80
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Rs. in Lacs

	As at 31 March, 2015	As at 31 December, 2013
19. Short-term loans and advances		
Advances recoverable in cash or kind		
- Unsecured, considered good	1,340.99	986.72
- Unsecured, considered doubtful	297.40	171.21
Less: Provision for doubtful advances	(297.40)	(171.21)
	1,340.99	986.72
Security deposit		
Unsecured, considered good	19.30	19.30
Other loans and advances		
Balance with statutory/government authorities	2,139.16	2,830.51
Prepaid expenses	477.31	666.01
	2,616.47	3,496.52
	3,976.76	4,502.54
20. Other current assets		
Unsecured considered good unless stated otherwise		
Earnest money deposit	9.53	3.69
Fixed assets held for disposal (at lower of net book value and estimated net realisable value)	53.52	55.64
Interest accrued but not due on deposits	63.77	33.21
Exports benefits receivable	370.61	302.22
Insurance claim receivable	-	5.59
	497.43	400.35
	For the Preiod 1st January 2014 to 31 March, 2015	For the Preiod 1st January 2013 to 31 December 2013
21. Revenue from operations (Net)		
Sale of products		
Finished goods	1,54,571.91	1,15,927.83
Traded goods	6,954.14	4,743.23
Other operating revenue		
Job work income	1,792.50	1,266.86
Export incentives	477.83	440.06
Scrap sales	2,913.17	2,197.93
Revenue from operations (gross)	1,66,709.55	1,24,575.91
Less: Excise duty	(13,056.65)	(10,878.74)
Revenue from operations (net)	1,53,652.90	1,13,697.17
Details of finished goods sold		
Piston rings	44,488.87	36,259.69
Pistons	95,158.21	69,734.58
Pins	3,746.31	2,195.63
Valve train	10,435.92	7,005.80
Structural components	743.00	731.89
Others	-	0.24
Total	1,54,571.91	1,15,927.83
Details of traded goods sold		
Brake fluids	20.42	-
Brake pads	97.80	53.26
Heavy duty	622.91	322.10
Gasket	0.86	-
Engine bearings	1,056.90	858.32
Coolant	385.02	199.95
Spark plugs	2,789.39	2,183.22
Liners	850.58	581.41
Engine valves	134.27	96.35
Wipers	83.18	47.51
Commercial vehicle Lining	912.70	401.11
Sintered parts	0.11	-
Total	6,954.14	4,743.23

Rs. in Lac

22. Increase/Decrease in Inventories	For the Preiod 1st January 2014 to 31 March, 2015	For the Preiod 1st January 2013 to 31 December, 2013
Work-in-progress	4,485.99	4,231.52
Finished products	6,897.75	5,363.09
Trading goods	886.29	620.38
	12,270.03	10,214.99
Less: Closing Stock		
Work-in-progress	6,061.66	4,485.99
Finished products	8,521.61	6,897.75
Trading goods	1,013.54	886.29
	15,596.81	12,270.03
	(3,326.78)	(2,055.04)
23. Other income		
Interest income on		
Fixed deposits with banks	47.03	27.00
Others	91.59	67.81
Management support income	1,009.27	737.41
Dividend income on		
Investment in subsidiaries	357.00	357.00
Commission income	527.27	444.87
Excess provision written back	1,186.51	269.07
Miscellaneous Income	523.86	353.74
	3,742.53	2,256.90
24. Cost of raw material and components consumed		
Pig iron	1,541.63	1,262.45
Alloys	1,265.64	793.23
Chromic acid	413.06	299.12
Aluminium	18,707.74	11,023.95
Steel strips	348.20	285.75
Pin steel	3,620.94	2,550.40
Silicon	2,323.81	1,693.56
Magnesium	294.36	205.04
Nickel	1,605.69	1,633.74
Iron powder	2,974.15	2,029.31
Steel powder	104.34	24.62
Copper powder	617.49	477.56
Bought out piston	1,928.49	-
Bought out rings	9,525.52	7,813.77
Others	9,841.46	9,391.02
	55,112.52	39,483.52

Rs. in Lacs

	For the Preiod 1st January 2014 to 31 March, 2015	For the Preiod 1st January 2013 to 31 December, 2013
25. Purchase of traded goods		
Brake fluids	15.78	-
Brake pads	75.36	39.34
Heavy duty	481.87	191.93
Cylindrical Blocks	-	2.06
Engine bearings	817.79	707.36
Coolant	297.34	140.46
Spark plugs	2,158.70	1,762.39
Liners	658.05	454.15
Engine valves	103.68	44.37
Wipers	64.17	15.19
Commerical vehicle (CV) linings	705.96	419.01
Gasket	0.66	0.72
Sintered parts	0.08	-
	5,379.44	3,776.98
26. Employee benefit expenses		
Salaries, wages and bonus	26,449.01	19,332.82
Contribution to provident and other funds	1,699.27	1,281.34
Contribution to superannuation fund	184.01	140.27
Gratuity expense (refer note no. 37)	583.65	589.42
Staff welfare expenses	3,033.59	2,271.87
	31,949.53	23,615.72
27. Depreciation and amortization expense		
Depreciation on tangible assets	8,937.31	6,597.96
Amortisation of intangible assets	-	15.59
	8,937.31	6,613.55
28. Finance cost		
Interest		
-to banks	1,648.02	1,114.56
-to others	1,825.10	1,439.96
Bank charges	223.73	123.65
	3,696.85	2,678.17
29. Other expenses		
Consumption of stores and spares	13,978.13	12,399.69
Sub-contracting expenses	2,844.79	2,141.70
Increase in excise duty on inventory of finished goods	11.65	167.91
Power and fuel	9,961.80	7,506.84
Freight and forwarding charges	3,182.04	2,588.85
Rent (refer Note no.35)	501.87	371.69
Rates and taxes	1,556.71	1,287.14
Insurance	173.91	149.99
Repairs and maintenance		
Plant and machinery	619.98	383.63
Buildings	410.75	217.63
Others	712.71	447.91
Advertising and sales promotion	7,027.78	4,945.96
Management support charges (refer Note no.45)	774.68	631.51
Royalty	2,134.64	1,298.89
Warranty expense (net of reversals)	112.27	83.68
Travelling and conveyance	1,047.48	698.40
Communication costs	223.20	156.14
Corporate social responsibility expenses	63.30	-
Printing and stationery	127.01	86.75
Legal and professional fees	812.61	632.91
Cash discounts (net)	163.62	105.69
Auditors remuneration (Refer details below)*	56.49	59.09
Foreign exchange fluctuation (net)	503.34	283.63
Bad debts / advances written off	160.30	155.26
Provision for doubtful debts and advances	1,031.27	2.70
Loss on sale of fixed assets (net)	115.40	196.38
Environmental maintenance and remediation	1,288.72	807.85
Miscellaneous expenses	1,304.38	997.50
	50,900.83	38,805.32

Rs. in Lacs

**For the Preiod
1st January 2014
to 31 March, 2015**

For the Preiod
1st January 2013 to
31 December 2013

Note (a) : *Auditors remuneration

- Statutory audit fee	24.86	22.38
- Limited reviews	18.00	13.50
- Tax audit fee	1.25	9.25
- Others	-	1.00
- Reimbursement of expenses	12.38	12.96
	56.49	59.09

30. Earnings per share

Profit for the period as per Statement of Profit and Loss (Rs.)	3,135.54	2,058.56
Weighted average number of equity shares	5,56,32,130	5,56,32,130
Nominal value of shares (Rs.)	10	10
Earning per share - basic and diluted	5.64	3.70

31. Segment Information

Based on the guiding principles given in AS-17 'Segmental Reporting' notified under Companies (Accounting Standard) Rules, 2006, the Company's primary business segment is manufacturing of auto components. Considering the nature of Company's business and operations, there are no separate reportable business segment, as there is only one business segment and hence, there are no additional disclosures required to be provided other than those already been provided in the financial statements.

The analysis of geographical segment is based on the geographical location of the customers. The following table shows the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced.

Geographical segment

Net sales revenue (including trading sales but excluding excise duty) by geographical market

India	1,29,615.42	97,544.62
Other countries	18,853.98	12,247.70
	1,48,469.40	1,09,792.32

Carrying amount of segment debtors by geographical market (Net of provision, if any)

India	13,389.42	12,212.40
Other countries	3,903.83	2,452.11
	17,293.25	14,664.51

The Company has common assets for producing goods for India and outside countries. Hence, separate figures for assets/ additions to fixed assets cannot be furnished.

32. Capital and other commitments (net of capital advances)

Total estimated amount of contracts, remaining to be executed on capital account and not provided for as at 31 March 2015 is Rs: 1,853.51 lacs (as at 31 December 2013 : 1,093.67 lacs)

33. Contingent liabilities

(a) Bank guarantees	596.25	554.54
(b) Claims/notices contested by the Company		
(i) Excise duty and service tax	4,051.40	687.20
(ii) Sales tax	2,250.91	1,781.70
(iii) Employee related cases	286.05	242.99
(iv) Electricity demand	52.24	52.24
(v) Income tax demands	800.28	609.55

1) In relation to b (i) above, Excise duty cases contested by the Company comprise of :

- i) Matters are pending at Joint Commissioner, Central Excise , Bangalore where four show cause notice were received for the period 2000 to 2004 for the excise duty demand of Rs.76.42 lacs on the differential discount which was given to stockist. Matter is pending with Joint Commissioner, Central Excise, Bangaluru. (Previous period Rs.33.73 lacs).
- ii) Matters are pending with CESTAT, Bangaluru wherein notice was received for the period of 2006-07 for disallowing the cenvat credit taken twice on the invoices for the excise demand of Rs.5.03 lacs. The case is pending for hearing. (Previous period Rs. 5.03 lacs).
- iii) Matter is pending with CESTAT, Delhi on the six show cause notices received for the period 2002 to 2006 for the excise duty demand of Rs. 189.48 raised on the Turnover Discount for the period of 2002-06. The cases are pending with the CESTAT, Delhi for hearing (Previous period Nil).
- iv) Matters are pending for two show cause notices received on the Patiala plant for the interest amount of Rs.14.02 lacs on the reversal of Special additional duty taken wrongly. Cases are related to 2000-2001 and pending with the CESTAT, Delhi for hearing. (Previous Year 14.02 lacs).
- v) Matter is pending on the show cause notice received for the excise duty amounting Rs. 6.96 lacs on the classification issue related to the period of 1998-99. After filing of reply, there is no movement in the case and pending before Joint Commissioner, Excise (Previous period Rs. 6.96 lacs).
- vi) Matter is pending for a show cause notice received in 2002 for the excise duty of Rs. 3.32 lacs on scrap sale for the period 2001-02. After filing of reply, there is no movement in the case and it is pending with Joint Commissioner, Excise, Patiala (Previous period 3.32 lacs).
- vii) Matter is pending for a show cause notice on disallowance of excise credit of Rs.9.34 lacs on the ground that credit does not fall in the category of input category. The case is related to the period 1987 to 1990 and pending with Honourable High Court.
- viii) Matter is pending with Joint Commissioner, Central Excise on five notices related to period of 1997-98,1998-99, 1995-96 and 2003-04 for the disallowance of Modvat Credit on the input raw material for amounting Rs.6.16 lacs (Previous Year Nil).
- ix). Matter is pending before the Supreme Court in the valuation case where two notices were issued to Patiala plant where department alleged on the job work valuation and demanded excise duty of Rs.15.13 lacs.(Previous period 15.13 lacs).
- x). Matter is pending before the Commissioner, Excise, Jaipur for taking excess credit of excise duty of Rs.3.19 lakhs for the period 2010-11.(Previous period Nil).
- xi). Matter is pending before the Commissioner, Excise on issuance of show cause notice on the cenvat credit taken on LPG on the invoice addressed to Goetze India (technical errors) amounting to Rs. 0.97 lacs (Previous period Nil).

1) In relation to b (i) above, Service tax cases contested by the Company comprise of:

- i). Matter is pending with CESTAT, Bangaluru in respect of notice for the period FY 2006-2007 amounting to Rs. 86.44 lacs wherein disallowed the service tax credit taken on Input Service Distributor invoices received from Gurgaon. (Previous period Rs 86.44 lacs).
- ii). Nine matters are pending for the year 2009 to 2014 where company disallowed the service tax credit for Rs.2829 lacs for the common inputs used in the job work which are exempted activities as per the excise authorities.
- iii) Matter is pending for a notice received for the period 2005-06 wherein service tax credit was disallowed for Rs.113.70 lacs on account of non-availability of service invoices. The case is pending before the CESTAT, Bangaluru for the decision. (Previous period Rs.113.70 lacs).
- iv) Company received seven show cause notices at Patiala plants for the period 2005 to 2011 for disallowance of service tax credit on various services for the service tax amounting Rs.96.11 lacs. The case is pending with Joint Commissioner, Service Tax (Previous period Rs 96.11 lacs).
- v) Matter is pending with the Commissioner (Appeals), Central Excise, Chandigarh for two show cause notices received for the period 2009 to 2013 for demanding the service tax credit taken on the inward and outward freight amounting Rs.31.93 lacs (Previous period Nil).
- vi) Matter is pending in Bangaluru unit for the period 2008 to 2011 for the service tax not paid on written off material for Rs.5.81 lacs The case is pending before Commissioner, Service Tax. Company is confident of favourable decision in this case. (Previous period Nil).
- vii) Matters are pending for seven show cause notices for Patiala plant for the period 2006 to 2007 for disallowance of service tax credit on mediclaim services for the service tax amounting Rs.19.18 lacs. The case is pending before CESTAT, Delhi. (Previous period Nil).
- viii) Matter are pending for seven show cause notices received for the period 2008 to 2012 for the disallowance of service tax credit amounting Rs.79.02 lacs on few certain services for Bhiwadi Plant for disallowance and demanding the service tax. Cases are pending with Joint Commissioner and Additional Commissioner, Service Tax, Jaipur for hearing. (Previous period Rs. 79.02 lacs).
- ix) Matter is pending on the show cause notice received for corporate office for the period 2008 to 2011 for the service tax demand of Rs.134.18 lacs for disallowance of service tax credit on various services.(Previous period Rs. 134.18 lacs).
- x) Matter is pending for the service tax demand on the Royalty and technical know how for Rs.16.79 lacs.(Previous period Nil).
- xi) Service tax is pending for the service tax credit of Rs.10.71 lacs for disallowance of service tax credit for 2011 to 213 (Previous period Nil).
- xii) Recently, service tax show cause notice received on manpower recruitment services for Rs.4.54 lacs where service tax not paid on PF and ESI services in the year 2012-13 (Previous period Nil).
- xiii) Service tax show cause notice received for non-maintenance of service tax register for past period for the demand Rs.294 lacs for the period 2009-13. Reply is to be filed for defending the case before Commissioner. (Previous period Nil).

2) In relation of b (ii) above, sales tax cases contested by the Company comprise of :

- i) Sale tax matter is pending for assessment year 1996-97 to 2001-02 where sale tax demand was raised on the classification issue/rates difference on product "Groove Insert Casting" for amounting Rs.97 lacs. Company has deposited Rs.215.87 lacs. Recently, adverse verdict received and tax demand is 97 lacs with interest which will be adjusted from the deposited amount. Company has provided Rs.97 lacs in the books. (Previous period the total demand amount was Rs. 442.92 lacs).
- ii) Matter is pending with Hon'ble High Court of Karnataka on sale tax demand notice for the period 2005-06 for the sale tax demand of Rs. 278.51 lacs for the sale tax rate difference charged on the Piston. Case is pending before the Hon'ble High court for the final decision. The Company so far has made an under protest payment of Rs.55 lacs in this matter (Previous period 278.51 lacs).

- iii) Matter is pending with Karnataka Sale Tax Tribunal for the penalty of Rs.1.36 lacs for not paying CST on the central sale on the C form liability. Company has deposited Rs.1.36 lacs in this case. The case is related to 2007-08 pending before the Karnataka Sale tax Tribunal for decision. (Previous period Nil).
 - iv) Matters is pending with next DCCT, Audit Bangaluru for Full 2014-15 on account C Forms pendency for Rs. 293 lacs. The company has filed an appeal before the Joint Commissioner. (Previous period Nil).
 - v) Matter is pending with Joint Commissioner, Ghaziabad for the sale tax demand of Rs.82.78 lacs for the financial year 2007 -08 on account of several issues like rate differences, disallowance of central sales, stock transfer and best judgement sales. Company has deposited Rs.47.54 lacs in this case and provided Rs.30 in one of the tax issue (Previous period Rs. 82.78 lacs).
 - vi) Matter is pending with Sale Tax authorities, Patna for the sale tax demand of Rs.25.66 lacs on account of non-availabilities of few documents and pending for hearing. (Previous period Rs. 25.66 lacs).
 - vii) Four matters are pending at Kolkata sale tax authorities on various reason for the financial year 2001-02, 2004-05 and 2006 -07 for the sale tax demand of Rs.6.37 lacs on account of disallowance of sale returns, warranty material and stock transfer forms. (Previous period Rs. 6.37 lacs).
 - viii) Tax demand notice received from Maharashtra Sale Tax Demand of Rs.30.19 lacs on non-submission of forms F and matter is pending with next appellate authorities. (Previous period 30.19 lacs).
 - ix) Matter is pending with Additional Commissioner, Delhi for the total sale tax demand of Rs. 613.92 lacs on the four notices issued on best judgement basis for various reasons including disallowance of stock transfer, Central sale and penalty on the above. One issue is related to sale of fixed assets where sale tax demand is Rs.175 lacs out of total tax demand. Company made a provision of Rs. 172 lacs for this. The case is pending with hearing and related to financial year 2007-08. Company is confident of favourable order on the remaining tax demand as case was adjudged wrongly without giving opportunity.(Previous period the total demand amount was Rs. 613.92 lacs).
 - x) Matter is pending with Joint Commissioner, Sale / Commercial Tax, Ghaziabad for the sale tax demand on the disallowance of stock transfer of Rs.32.68 lacs for the financial year 2012-13 (Previous period Rs. 32.11 lacs).
 - xi) Matter is pending with Additional Commissioner, Delhi for the financial year 2008-09 for the sale tax demand of Rs. 73.44 lacs which is demanded on the basis of best judgement (Previous period 73.44 lacs).
 - xii) Three matters are pending with next appellate authorities (Bhiwadi) for Full 2008-09, 2009-10 and 2012-13 on account C Forms pendency. Amount involved Rs. 306.00 lacs.(Previous period Nil).
 - xiii) Entry tax not paid on imported machinery in the Bangaluru as similar case is pending before the Supreme Court on the decision that entry tax is unconstitutional and should not be levied. Afer 2011, Company started paying entry tax and capitalising the amount of entry tax. Amount Involved is Rs 410 lacs.
- 3) In relation of b (iii) above, employee related cases comprise of:
Claims against the Company not acknowledged as debt, in respect of demands raised by the workers. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. Amount involved is Rs. 286.05 lacs. (Previous period Rs. 242.99 lacs).
- 4) In relation to b (iv) above, electricity demand comprise of In respect of a demand raised by Punjab State Electricity Board (PSEB) for various years in relation to availment of additional load. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. Amount involved is Rs. 52.24 lacs (Previous period Rs. 52.24 lacs).
- 5) In relation to b (v) above, income tax cases disputed by the Company comprise of:
- i) In respect of Assessment Year 1998-99, certain additions were made on normal as well as on book profits. The matter is pending with Honourable High court. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs 86.69 lacs (Previous period Rs 86.69 lacs).
 - ii) In respect of Assessment Year 2002-03, certain additions were made on normal income as well as on book profits. The matter is pending with Assessing Officer for appeal effect. The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. The amount for contingent liability for the year is Rs. 68.45 lacs. (Previous period Rs. 23.13 lacs).
 - iii) In respect of Assessment Year 2003-04, disallowance was made for carry forward losses as well as certain disallowances. The matter is subject to two different appeals. One is pending with the Assessing Officer and other with the Commissioner of Income Tax(Appeals). The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. The amount involved is Rs. 158.01 lacs. (Previous period Rs. 158.01 lacs).
 - iv) In respect of Assessment Year 2006-07, certain additions were made on normal as well as on book profit. The matter is pending with AO. The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. The amount for contingent liability for the year is Rs. 39.52 lacs (Previous period Rs. 39.52 lacs).
 - v) In respect of Assessment Year 2006-07, under Wealth tax assessment, debts relating to certain taxable assets were disallowed. The matter is pending with Income Tax Appellate Tribunal. The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 3.90 lacs (Previous period Rs 3.90 lacs).
 - vi) In respect of Assessment Year 2008-09, certain additions were made on normal profits. The matter is pending with Income Tax Appellate Tribunal. The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 72.68 lacs. (Previous period Rs 72.68 lacs).
 - vii) In respect of Assessment Year 2009-10, certain additions were made on normal profits. The matter is pending with Commissioner Income Tax (Appeals). The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 163.61 lacs. (Previous period Rs 163.61 lacs).
 - viii) In respect of period starting 01.04.2007 to 31.03.2015, Company has received TDS default notices on account of short deduction/ short payment of tax deduction at Source. The Company believes that defaults should have arisen due to some technical and clerical errors and could be corrected by filing of revised return/correction statements. The amount involved is Rs. 19.06 lacs. (Previous period Rs 27.71 lacs).
 - ix) In respect of Assessment Year 1999-2000, certain additions were made on normal as well as on book profit. The matter is pending with Honourable Supreme Court. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. The amount for contingent liability for the year is Rs. 83.26 lacs (Previous period Rs. Nil).
 - x) In respect of Assessment Year 2010-11, certain additions were made on normal profits. The matter is pending with Commissioner Income Tax (Appeals). The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 87.26 lacs. (Previous period Rs NIL).

- xi) In respect of Assessment Year 2011-12, certain additions were made on normal profits in the draft order. The matter is pending filing objection before DRP. The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 17.85 lacs. (Previous period Rs NIL).

34. Related Party Disclosures

- (i) In accordance with the requirement of Accounting Standard (AS - 18) on related party disclosures where control exist and description of the relationship are as follows:

(a) Name of Parties where Control Exists

- i) Holding Company
Federal Mogul Holdings Limited (Mauritius)
- ii) Subsidiary
Federal-Mogul TPR (India) Limited
- iii) Ultimate Holding Company
Federal Mogul Corporation, USA

(b) Key managerial personnel

- Mr. Andreas Wilhelm Kolf, Managing Director
- Mr. Sachin Selot, CFO & Whole Time Director
- Mr. Khalid Iqbal Khan, Company Secretary
- Mr. Sunit Kapur, Director
- Mr. Dan Brugger, Whole Time Director (till Feb. 2013)
- Mr. Vikrant Sinha, Whole Time Director (till March 2013)

(c) Fellow subsidiaries

- Federal Mogul Burscheid GMBH, Germany
- Federal Mogul Nurnberg, GMBH (Germany)
- Federal Mogul Holding Deutschland (Germany)
- Federal Mogul Limited (U.K.)
- Federal Mogul Financial Services FRANCTNL (France)
- Federal Mogul Gorzyce, S.A. (Poland)
- Federal Mogul Friedberg, GMBH (Germany)
- Federal Mogul Sintered Products Ltd. (U.K.)
- Federal Mogul Friction Products Ltd (Thailand)
- Federal Mogul Thailand Manufacturina Ayutthaya, (Thailand)
- Federal Mogul France, S.A. (France)
- Federal Mogul Corporation, Garennes (France)
- Federal Mogul (Shanghai)
- Federal Mogul Friction Products Ltd.
- Federal Mogul Worldwide Aftermarket
- Federal Mogul Sistemas Brazil
- Federal Mogul Dongsuh Piston Co. Ltd. (China)
- Federal Mogul Bradford Ltd.
- Federal Mogul Powertrain Sparta, MII
- Federal Mogul KK Yokohama
- Federal Mogul Powertrain Inc, Southbend
- Federal Mogul Chasseneuil
- Federal Mogul Kontich
- Federal Mogul Bearings India Ltd (India)
- Federal-Mogul Ignition Products India Ltd (India) (Formerly Federal Mogul Automotive Product (India) Pvt Ltd.)
- Federal-Mogul Motorparts Ltd. (India) (Formerly known as Federal Mogul VSP India Ltd.)
- Federal-Mogul PTSB India Pvt. Ltd. (India) (Formerly known as Federal-Mogul Trading India Pvt. Ltd.)

(d) Associates

GI Power Ltd.

Those transactions along with related party balances for fifteen months ended 31 March 2015 and year ended 31 December 2013 are presented in the following table:

(ii) Summary of Related Party Transactions

Rs. in lacs

Particulars	Ultimate Holding Company	
	Federal Mogul Corporation (USA)	
	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013
Sales	(7,976.09)	(6,478.95)
Purchase/(sale) of fixed assets	(0.51)	57.75
Purchase of raw material	49.78	281.85
Reimbursement of expenses paid	95.45	274.34
Reimbursement of expenses (received)	(141.52)	(233.33)
Balance outstanding as at the end of the period (payable)	(34.86)	(1,428.28)
Balance outstanding as at the end of the period receivables	1,935.95	-

Rs. in lacs

Particulars	Fellow Subsidiaries							
	Federal-Mogul Bradford Limited (Germany)		Federal Mogul Burscheid GMBH,		Federal Mogul Gorzyee S.A (Poland)		Federal Mogul Dongsuh Piston Co. Ltd.	
	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013
Sales	-	-	(6.64)	-	-	-	-	-
Purchase of raw material	1,285.77	-	2,712.41	3,136.18	0.98	0.75	-	-
Purchase/(sale) of fixed assets	-	-	1,023.38	1,998.72	-	-	-	-
Reimbursement of expenses paid	-	-	6.26	-	0.17	-	-	-
Reimbursement of expenses (received)	-	-	(1.36)	-	-	-	-	(167.28)
Service income	-	-	-	-	-	-	(254.62)	-
Royalty expense	-	-	626.69	238.37	-	-	-	-
Balance outstanding as at the end of the period (payable)	(192.43)	-	(930.62)	(415.55)	-	-	212.24	-
Balance outstanding as at the end of the period receivables	-	-	-	-	-	-	-	(38.23)

(ii) Summary of Related Party Transactions

Rs. in lacs

Particulars	Fellow Subsidiaries							
	Federal Mogul Nurnberg, GMBH		Federal Mogul Thailand Manufacturing		Federal Mogul Holding Deutschland (Germany)		Federal Mogul Friction Products Ltd. (Thailand)	
	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013
Sales	(3.62)	(8.03)	(2,625.70)	-	-	-	-	927.08
Purchase of raw material	399.28	89.22	-	-	-	-	1.80	5.81
Purchase/(sale) of fixed assets	674.10	255.86	-	-	-	-	-	-
Management support charges paid	-	-	-	-	774.70	631.51	-	-
Reimbursement of expenses paid	4.44	-	-	-	-	-	1.02	-
Reimbursement of expenses (received)	-	-	-	-	(15.34)	-	(1.02)	-
Royalty expense	884.91	768.65	-	-	-	-	-	-
Balance outstanding as at the end of the period receivables	-	-	451.47	-	-	-	-	83.04
Balance outstanding as at the end of the period (payable)	(1,049.45)	(357.77)	-	-	(215.06)	-	(1.80)	-

Particulars	Fellow Subsidiaries							
	Federal Mogul Financial Services FRANTNL (France)		Federal Mogul Sintered Products Limited, (U.K)		Other Fellow Subsidiaries		Total	
	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013
Sales	-	-	(40.80)	-	(611.83)	(50.06)	(3,288.61)	868.98
Purchase of raw material	-	-	7.19	29.48	26.15	785.26	4,433.57	4,046.70
Purchase/(sale) of fixed assets	-	-	89.87	-	-	42.80	1,787.35	2,297.38
Trade mark & license fees	-	-	-	-	127.48	-	127.48	-
Management support charges paid	-	-	-	-	-	-	774.70	631.51
Reimbursement of expenses paid	-	21.91	-	-	2.63	7.12	14.52	29.03
Reimbursement of expenses (received)	-	-	(0.09)	-	-	-	(17.81)	(167.28)
Royalty expense	-	-	366.18	259.58	-	-	1,877.77	1,266.59
Balance outstanding as at the end of the period receivables	-	-	-	-	454.80	-	906.27	44.81
Balance outstanding as at the end of the period (payable)	-	-	(76.32)	(130.27)	(136.73)	(118.95)	(2,391.42)	(1,022.54)

Rs. in lacs

Particulars	Fellow Subsidiaries												Total
	Federal Mogul Bearings India Limited (India)		Federal Mogul Products India Limited (India)		Federal Mogul Motorparts India Limited		Federal Mogul PT&S India Limited, (India)		Federal Mogul Ignition India Limited		Federal Mogul India Limited		
	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	
Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of raw material, intermediaries and finished goods	697.64	720.31	2,500.21	1,737.96	910.65	-	-	-	-	-	4,108.50	2,458.28	
Reimbursement of expenses paid	672.49	-	76.41	23.75	-	-	-	-	19.20	-	772.70	23.75	
Reimbursement of expenses (recd.)	(1,133.15)	(161.74)	(491.29)	-	(95.85)	(433.85)	(47.04)	(75.00)	382.96	(705.00)	(2103.25)	(642.63)	
Inter-corporate deposit (ICD) taken	-	-	100.00	375.00	-	(75.00)	705.00	(75.00)	2,000.00	(320.00)	2,100.00	1,005.00	
Inter-corporate deposit (ICD) repaid	-	-	(500.00)	(900.00)	-	(75.00)	(320.00)	-	(2,700.00)	(481.33)	(3,200.00)	(1,295.00)	
Interest on the above ICD	-	-	247.19	291.67	-	0.74	481.33	-	687.67	(4,884.92)	934.86	773.74	
Balance outstanding as at the end of the period (payable) (Refer Note 1)	(109.70)	(43.13)	(1,908.91)	(2,082.10)	11.88	(13.45)	(4,884.92)	-	(4,189.36)	-	(5,912.63)	(7,023.61)	
Balance outstanding as at the end of the period Receivables	-	-	-	-	-	17.74	34.45	-	-	-	(6219.86)	52.19	

Note 1 : * FM Ignition payables includes Rs 1,525 lacs (As at 31 December 2013 Rs 1,925 lacs) payable against ICD taken and Rs. 12.24 lacs (As at 31 December 2013 Rs 20.80 lacs) payable against the interest on the same.
 ** FM PT&S payables includes Rs 4,180 lacs (As at 31 December 2013 Rs 4,880 lacs) payable against ICD taken and Rs 33.55 lacs (As at 31 December 2013 Rs 39.38 lacs) payable against the interest on the same.

Rs. in lacs

Particulars	Subsidiaries	
	Federal-Mogul TPR Limited, (India)	Federal-Mogul India Limited
	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013
Sales	(1,637.14)	(1,470.64)
Purchase of raw material	9,032.87	5,321.17
Dividend Received	(357.00)	(357.00)
Management Fee Received	(1,009.27)	(737.41)
Job work income	(1,792.50)	(1,266.86)
Rent income	(97.50)	(78.00)
Sole selling commission received	(527.27)	(444.87)
Inter-corporate deposit (ICD) taken	(760.00)	(850.00)
Inter-corporate deposit (ICD) re-paid	500.00	-
Interest on the above ICD	373.55	227.30
Investment as at year end	510.00	510.00
Loan outstanding*	(3,132.58)	-
Balance outstanding as at the end of the period (payable)	(2,041.79)	(4,155.33)

* FMTPR payables includes Rs 3,110 lacs (As at 31 December 2013 Rs 2,850 lacs) payable against ICD taken and Rs 22.58 lacs (As at 31 December 2013 Rs 20.70 lacs) payable against the interest on the same.

Rs. in lacs

Particulars	Key Managerial Personnel	
	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013
Remuneration		
Sachin Selot	122.01	10.94
Sunit Kapur	-	159.34
Andreas Wilhelm Kolf	576.95	34.34
Dan Bruggger	-	189.88
Vikram Sinha	-	7.60
Khalid Iqbal Khan	68.69	-
Total	767.65	402.10

35. Operating lease

Rs. in Lacs

a) Assets taken under operating lease

The Company has taken office and residential facilities under cancellable and non-cancellable operating leases, which are renewable on a periodic basis and have escalations ranging from 5% to 15% per annum

Period	For the Preiod 1st January 2014 to 31 March, 2015	For the Preiod 1st January 2013 to 31 December 2013
1. Lease payments for the period	501.87	371.69
2. Minimum lease payments		
a. Not later than one year	262.31	346.85
b. Later than one year and not later than five years	320.79	182.87
b) Assets given under operating lease		
1. Uncollectible minimum lease payments receivable at the Balance sheet date	-	-
2. Future minimum lease payments receivable:		
a. Not later than one year	78.00	78.00
b. Later than one year and not later than five years	312.00	312.00
c. Later than five years	-	78.00

c) The lease expense recognise in the statement of profit and loss for the period is Rs 501.87 (as at 31 december 2013 : 371.69).

36. Particulars of unhedged foreign currency exposure as at 31 March 2015

Particulars	Currency	As At March 31, 2015 Amount Rs. (in lacs)	As At March 31, 2015 Amount (Foreign currency in lacs)	Year ended March 31, 2015 (Rates, 1 Unit of Foreign Currency) equivalent INR)	As at December 31, 2013 Amount Rs.(in lacs)	As at December 31, 2013 Amount (Foreign currency in lacs)	As at December 31, 2013 (Rates,1 Unit of Foreign currency equivalent INR)
Creditors	CHF	2.64	0.04	66.13	4.02	0.06	71.15
Creditors	EUR	2,088.99	30.20	69.17	1,927.61	22.14	87.08
Creditors	GBP	197.48	2.09	94.59	340.76	3.27	104.06
Creditors	JPY	86.73	162.84	0.53	162.16	269.33	0.60
Creditors	SEK	13.42	1.79	7.51	29.85	3.01	9.92
Creditors	USD	882.52	13.80	63.93	775.44	12.29	63.09
Debtors	EUR	1,083.87	16.39	66.13	529.93	6.34	83.58
Debtors	USD	2,405.04	39.29	61.21	1,884.81	31.08	60.65
Advance to suppliers	EUR	1,003.55	14.51	69.17	912.75	10.92	83.58
Advance to suppliers	GBP	86.34	0.91	94.59	293.87	2.94	99.87
Advance to suppliers	JPY	10.88	20.44	0.53	130.86	226.48	0.58
Advance to suppliers	SEK	19.44	2.59	7.51	27.70	2.96	9.35
Advance to suppliers	USD	116.87	1.83	63.93	284.51	4.69	60.65
Advances to creditors	CHF	-	-	-	3.04	0.04	68.21

37. Disclosures in accordance with AS-15 on "Employee Benefits"

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services, gets a gratuity on departure at 15 days basic salary (last drawn) for each completed year of service on terms not less favourable than the provisions of the payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

Statement of Profit and Loss

Net employee benefit expense (recognized in Employee cost) [AS15 Revised (c) (i) to (x)]

Period	For the Preiod 1st January 2014 to 31 March, 2015	For the Preiod 1st January 2013 to 31 December 2013
Current service cost	440.41	346.29
Interest cost on benefit obligation	771.11	570.07
Expected return on planned assets	(330.05)	(300.11)
Net actuarial gain recognized in the year	(297.82)	(26.84)
Net benefit expense	583.65	589.40
Actual return on plan assets	1,139.58	328.26

Rs. in Lacs

As at 31 March, 2015

As at 31 December, 2013

Balance Sheet**Details of provision for gratuity**

Defined benefit obligation	8,328.70	7,754.72
Less: Fair value of plan assets	(4,347.50)	(3,454.04)

Plan liability	3,981.20	4,300.68
----------------	-----------------	----------

Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	7,754.71	7,680.61
Interest cost	771.11	570.07
Current service cost	440.41	346.29
Benefits paid directly by the company	(153.15)	(33.69)
Benefits paid from the fund	(996.09)	(809.88)
Actuarial losses on obligation	511.70	1.31

Closing defined benefit obligation	8,328.70	7,754.71
------------------------------------	-----------------	----------

Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets	3,454.03	3,758.65
Expected return	330.05	300.11
Contributions by employer	750.00	177.00
Benefits paid	(996.08)	(809.88)
Actuarial gains	809.50	28.15

Closing fair value of plan assets	4,347.50	3,454.03
-----------------------------------	-----------------	----------

The Company's expected contribution to the fund in the next year is not presently ascertainable and hence, the contribution expected to be paid during the annual period beginning after the balance sheet date as required by para 120(o) of the accounting standard 15(revised) on employee benefits has not been disclosed.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:-

	%	%
Investments with insurer	100	100

The principal assumptions used in determining gratuity for the Company's plan is shown below:

Particulars	31 March, 2015	31 December, 2013
Discount rate	7.75% p.a.	9.10% p.a.
Expected rate of return on plan assets (refer note (a))	8.50% p.a.	8.50% p.a.
Normal retirement age*	58 years	58 years
Employee turnover	5.0% p.a.	5.0% p.a.

* For patiala unit its 60 and others its 58 years.

The estimates of seniority, future salary increases, considered in actuarial valuation, take account of price inflation, promotions and other relevant factors, such as supply and demand in the employment market.

Note (a) : the overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amount for the current year and previous four years are as follows:

Particulars	as at	as at	as at	as at	as at
	31 March 2015	31 December 2013	31 December 2012	31 December 2011	31 December 2010
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Defined benefit obligation	8,328.70	7,754.72	7,680.61	6,545.91	6,192.34
Cumulative unrecognised actuarial gains	-	-	-	-	239.91
Plan assets	4,347.50	3,454.04	3,758.65	3,812.62	3,882.44
Deficit	3,981.20	4,300.68	3,921.96	2,733.29	2,549.81
Experience adjustments on plan liabilities	520.71	489.61	375.67	511.34	205.76
Experience adjustments on plan assets	29.56	328.26	348.35	180.08	489.37

Rs. in Lacs

	For the Preiod 1st January 2014 to 31 March, 2015	For the Preiod 1st January 2013 to 31 December 2013		
38. Earning in foreign currency (on accrual basis)				
Sale - FOB value of exports	18,853.98	12,247.70		
Total	18,853.98	12,247.70		
39. Expenditure in foreign currency (on accrual basis)				
(a) Travelling expenses	264.67	50.20		
(b) Salary	495.00	-		
(c) Communication expenses	63.48	40.00		
(d) Royalty	2,044.99	1,922.45		
(e) Professional expenses	700.46	391.85		
(f) Management support charges	774.68	631.51		
(g) Others	210.61	200.77		
Total	4,553.89	3,236.78		
40. Value of imports calculated on CIF basis during the year in respect of :-				
Raw materials	15,915.03	10,674.67		
Stores and spares	2,395.04	1,847.47		
Capital goods	4,286.01	4,336.76		
Total	22,596.08	16,858.90		
41. Value of imported and indigenous raw material, components and stores and spares consumed				
	% of total consumption	Value Amount	% of total consumption	Value Amount
Raw material and components				
Imported	24.27%	13,376.93	22.35%	8,826.01
Indigenous	75.73%	41,735.59	77.65%	30,657.51
	100.00%	55,112.52	100.0%	39,483.52
Stores and spares				
Imported	7.67%	1,071.95	5.28%	6,54.10
Indigenous	92.33%	12,906.18	94.72%	11,745.60
	100.00%	13,978.13	100.00%	12,399.70
42. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006				
The Micro, small and medium enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosures in respect to Micro and Small Enterprises as per MSMED Act, 2006 is as follows:				
Particulars	as at 31 March 2015	as at 31 December 2013		
The principal amount remaining unpaid as at the end of period	205.43	131.87		
Interest due on above principal and remaining unpaid as at the end of the year	0.68	1.26		
The amount of interest paid by the buyer in terms of section 16, of the micro, small and medium enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-		
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under micro, small and medium enterprise development Act, 2006.	24.98	18.33		
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	24.56	22.10		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-		

43. Expenses capitalised

The Company has capitalized various expenses incurred in the course of construction of self generated assets in accordance with AS 10 -Accounting for Fixed Assets, the details of expenses capitalized for the purpose of construction of self generated assets are as follows:

Particulars	For the Preiod 1st January 2014 to 31 March, 2015	For the Preiod 1st January 2013 to 31 December 2013
Salaries, wages and bonus	35.38	30.46
Consumption of stores and spares	39.89	45.69
Total	75.27	76.15

44. Provision for regulatory matters

The Company had commenced an evaluation process for various regulatory matters at its factories in December 2010. Based on more accurate information discovered, a provision, towards costs to be incurred to remediate these matters, of Rs. 355.05 lacs is included under Note no. 8 for provisions which are net of amounts utilized of Rs. 810.00 lacs during the year towards remediation.

In addition to the above, the provision for regulatory matters includes a provision of Rs.922.23 lacs towards certain other regulatory matters.

The Company is actively seeking to resolve these actual and potential statutory, taxation, regulatory and contractual obligations. In accordance with requirements of Accounting Standard 29 on 'Provisions, Contingent liability and Contingent assets' issued by the Institute of Chartered Accountants of India, although difficult to quantify based on the complexity of the issues, the Company has accrued amounts corresponding to its best estimate of the costs associated with such regulatory and contractual obligations on the basis of available information and best professional judgment of experts appointed for this exercise.

Based on consultations obtained from the experts in respect of the said matters, in management's view, no further costs are expected to be incurred for which a provision would be required at this stage and considers the provisions made to be adequate.

45. Management support charges

For the period 1 January 2014 till 31 March 2015, the Company has paid management support charges to its group companies of Rs 774.68 lacs in respect of certain application engineering services provided to the Company. The Company carries out its transfer pricing study annually for the tax period of April-March and updates its documentation, choice of methods and benchmarks to ascertain adequacy and compliance with the "arms length" principles prescribed under Income Tax Act. For the year April 1, 2014 to March 31, 2015, the process of updation is ongoing and management is confident of completing the same before filing tax return for the same. The provision for current tax has been made accordingly considering the said amounts of Rs. 774.68 lacs as "allowable expenditure".

46 Per transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961, the Company is required to use certain specific methods in computing arm's length prices of international transactions with associated enterprises and maintain adequate documentation in this respect. Since law requires existence of such information and documentation to be contemporaneous in nature, the Company has appointed independent consultants for conducting a Transfer Pricing Study (the 'Study') to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arms length basis". Management is of the opinion that the Company's domestic and international transactions are at arm's length and that the results of the on-going study will not have any impact on the financial statements and the independent consultants appointed have also preliminarily confirmed that they do not expect any transfer pricing adjustments.

47. (a) Excess provision written back includes income on account of reversal of provision for diminution in value of investment in GI Power of Rs 876.44 Lacs. The provision has been reversed during the period because the Company has sold the investment.
- (b). During the period the Company has entered into Power Purchase Agreement with Real Captive Power Private Limited (RCP) and paid Rs 850 lacs as security deposit which is recoverable in 5 equal instalments beginning from 7th to 11th year. RCP is a newly incorporated enterprise and, as such, recoverability of the security deposit will solely be dependent on the financial position of RCP at the time of repayment. The management believes that purchase of power from RCP would result into savings. On conservative basis, the Company has created a provision for security deposit of Rs 850 Lacs.

48. Corporate social responsibility

- a) Gross amount required to be spent by the company during the year in compliance with section 135 of the Act is Rs. 57.35 lacs.
- b) Amount spent during the year on-

	In Cash	Yet to be paid in Cash	Total
i) Construction / acquisition of any asset	-	-	-
ii) On purposes other than (i) above			
a) Education related expenses	39.10	-	39.10
b) Other social activities	24.20	-	24.20
	63.30	-	63.30

49. Previous year number has been regrouped/reclassified wherever considered necessary.

For Walker Chandiok & Co LLP
(formerly Walker Chandiok & Co)
Chartered Accountants

per Neeraj Sharma

Partner
M. No. 502103

Place: Gurgaon
Date: May 22nd, 2015

For and on behalf of the Board of Directors of
Federal-Mogul Goetze (India) Limited

Andreas Wilhelm Kolf

Whole Time Managing Director
DIN : 00519780

Dr. Khalid Iqbal Khan

Company Secretary

Sachin Selot

Whole Time Finance Director & CFO
DIN : 06700360

Cash flow statement for the period 1 January 2014 to 31 March 2015

	For the Preiod 1st January 2014 to 31 March, 2015	For the Preiod 1st January 2013 to 31 December 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	4,745.73	3,035.85
Adjustments for:		
Depreciation and amortisation	8,937.31	6,613.55
Loss on sale / discard of fixed assets (net)	115.40	196.37
Provision for doubtful debts and advances	1031.27	9.39
Provision for doubtful debts written back	(303.40)	(6.68)
Advances written off	160.30	155.26
Interest income	(138.62)	(94.81)
Dividend income	(357.00)	(357.00)
Interest expense	3473.12	2,678.17
Excess provision written back	(883.11)	(269.07)
Unrealised forex (gain)/loss (net)	385.42	283.63
Operating profit before working capital changes	17,166.42	12,244.66
Movements in working capital:		
Increase in trade/other receivables	(1,409.62)	(2,064.95)
Increase in inventories	(4,944.87)	(1,499.18)
Increase in trade/other payables	4,227.33	1,596.60
Cash generated from operations	15,039.26	10,277.13
Direct taxes paid (net of refunds)	(4,309.81)	(682.90)
Net cash from operating activities	10,729.45	9,594.23
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(10,444.85)	(8,269.33)
Proceeds from sale of fixed assets	252.67	47.03
Proceeds from sale of investments	876.44	-
Movement in restricted cash	15.31	(240.06)
Movement in fixed deposits	0.25	-
Interest received	108.05	70.10
Dividends received	357.00	357.00
Net cash used in investing activities	(8,835.13)	(8035.26)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings (Long term)	(611.11)	1,600.00
Movement in borrowings(Short-term)	2,564.75	(332.73)
Interest paid	(3,447.99)	(2,658.73)
Net cash from used in financing activities	(1,494.35)	(1,391.46)
Net increase in cash and cash equivalents (A + B + C)	399.97	167.51
Cash and cash equivalents at the beginning of the period	180.25	12.74
Cash and cash equivalents at the end of the period	580.22	180.25
Components of cash and cash equivalents as at		
Cash and cheques on hand	0.01	9.33
With banks- on current account	580.21	155.83
Balance held as margin money (with original maturity upto 3 months)	-	15.09
	580.22	180.25

This is the Cash Flow Statement referred to in our report of even date

FFor Walker Chandiook & Co LLP
(formerly Walker Chandiook & Co)
Chartered Accountants

per Neeraj Sharma
Partner
M. No. 502103

Place: Gurgaon
Date: May 22nd, 2015

For and on behalf of the Board of Directors of
Federal-Mogul Goetze (India) Limited

Andreas Wilhelm Kolf
Whole Time Managing Director
DIN : 00519780

Dr. Khalid Iqbal Khan
Company Secretary

Sachin Selot
Whole Time Finance Director & CFO
DIN : 06700360

Statement regarding subsidiaries pursuant to Section 212 of the Companies Act, 1956

1.	Name of the Subsidiary Companies	Federal-Mogul TPR (India) Limited
2.	Financial Year of the Subsidiary Companies ended on	31st March, 2015
3.	Holding Company's Interest	Holders of 51,00,000 Equity Shares out of the Subscribed and Paid up Capital of the 1,00,00,000 Equity shares of Rs.10/- each (51%)
4.	Net Aggregate amount of Profit Less Losses of the subsidiary Companies so far as it concerns the Members of Federal-Mogul Goetze (India) Ltd	
	a] Not dealt with in the Accounts of Federal-Mogul Goetze (India) Ltd.	
	i) for the subsidiary's financial year above referred	Rs.1171.07 Lacs
	ii) for previous financial years of subsidiary since it became subsidiary of Federal-Mogul Goetze (India) Ltd.	Rs 2409.17 Lacs
	b] Dealt with the Accounts of Federal-Mogul Goetze (India) Ltd.	
	i) for the subsidiary's financial year above referred	Nil
	ii) for previous financial years of subsidiary since it became subsidiary of Federal-Mogul Goetze (India) Ltd.	Nil

Andreas Wilhelm Kolf
Whole Time Managing Director
DIN : 00519780

Sachin Selot
Whole Time Finance Director & CFO
DIN : 06700360

Dr. Khalid Iqbal Khan
Company Secretary



FEDERAL-MOGUL TPR (INDIA) LIMITED

DIRECTOR'S REPORT

The Directors are pleased to present the 18th Annual Report and Audited Statement of Accounts for the financial year starting 1st January 2014 and ending 31st March, 2015.

Financial Results

[Rs. in lacs]

	For the period 1st January, 2014 to 31st March, 2015	For the period 1st January, 2013 to 31st December, 2013
Total Income:		
Gross Sales	14,264.55	11,530.19
Less: Excise Duty	1,531.12	1,368.77
	12,733.43	1,0161.42
Other Income	499.54	289.58
Total Income	13,232.97	10,451.00
Profit before Depreciation and Finance Charges	3,955.90	3,172.25
Less :		
Depreciation	404.05	291.27
Finance Charges	17.42	18.38
Net Profit before Tax	3,534.44	2,862.60
Provision for Tax		
- Current	1,266.96	929.04
- Deferred tax credit	(28.74)	89.30
Profit after Tax	2,296.22	1,844.26
Prior period items	-	-
Profit brought forward	4,723.87	3,920.57
Net profit available for appropriation	7,020.09	5,764.83
Appropriations :		
Transfer to general reserve	235.00	222.00
Dividend-	-	-
Equity Shares	875.00	700.00
Tax and cess on dividend - Equity	174.95	118.97
Surplus carried to Balance Sheet	5,735.14	4,723.87

The Ministry of Corporate Affairs (MCA) has vide its General Circular No. 08/2014 dated 24th April, 2014, clarified that the financial statements (and documents required to be attached thereto), Auditors' Report and the Directors' Report in respect of financial years that commenced earlier than 1st April, 2014, shall be governed by the relevant provisions/ Schedules/ Rules of the Companies Act, 1956, In view of this, the Directors' Report has been prepared as per the provisions of the Companies Act, 1956

Operations

Pursuant to the provisions of Companies Act, 2013, the Board of Directors of the Company in the meeting held on 7th November 2014 approved the change in the financial year of the Company from January-December to April-March effective April 1, 2014. In view of this, the current financial year comprises of a period of 15 months i.e. January 1, 2014 to March 31, 2015.

During the period from January 1, 2014 to March 31, 2015, the automobile component industry recovered in terms of business growth as compared to previous year. During first half of 2014, the automotive industry has provided mixed signals, as Light Vehicles and Commercial vehicles had a negative growth, however, strong growth was seen in the two wheeler and three wheeler market segments.

Financial Performance

The total income of the Company as at 31st March 2015 was Rs. 13232.97 lacs as against Rs. 10,451 lacs for the year ended 31st December 2013.

During the year under review, the Company made a Net Profit after Tax of Rs. 2296.22 lacs as against the Net Profit after Tax of Rs. 1844.26 lacs in the last year.

High level of competence in design and processes, high productivity and low costs are the forte of the Company. The superior technology and product quality of the Company give it a competitive edge in the market place.

Dividend

For the financial year ended 31st March 2015, the Board has recommended a dividend @ Rs.8.75/- per Equity Shares, aggregating to Rs. 87,500,000/- (excluding Dividend Tax of Rs. 17,494,750/-). The total outflow on account of dividend, if approved, will be Rs.104, 994, 750/- (Including dividend tax of Rs. 17,494,750/-).

Personnel

There are no employees who come under

the category of employees, as required under Section 217(2A) of the Companies Act, 1956.

Directors

Presently your Board consists of Mr. Andreas Wilhelm Kolf, Director; Mr. Sachin Selot, Director & CFO; Mr. Vinod Kumar Hans, Director; Mr. Hiroshi Takano, Director; Mr. Rayasam Venkatramaiah and Dr. Khalid Iqbal Khan, Director, and Mr. K.N. Subramaniam, Director;

Mr. K.N. Subramaniam and Mr. Yashwant Mathur were appointed, as Additional Director and designated as Independent Director with effect from 29th March, 2015, to hold office for a period of 5 years. However, in the Board Meeting held on 22nd May, Mr. Yashwant Mathur resigned as Director. In the same Board meeting, Mr. Rayasam Venkatramaiah & Dr. Khalid Iqbal Khan were appointed as Additional Directors.

In accordance with Articles of Association of the Company, Mr. Vinod Hans, Director, is liable to retire by rotation and, being eligible, offers himself for re-appointment

**DIRECTORS' REPORT (Contd.)****Directors' Responsibility Statement**

The Ministry of Corporate Affairs (MCA) has vide its General Circular No. 08/2014 dated 24th April, 2014, clarified that the financial statements (and documents required to be attached thereto), Auditors' Report and the Directors' Report in respect of financial years that commenced earlier than 1st April, 2014, shall be governed by the relevant provisions/Schedules/ Rules of the Companies Act, 1956. In view of this, the Directors' Responsibility Statement has been provided as per the provisions of the Companies Act, 1956.

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors wish to place on record that:

- In preparing the Annual Accounts, all applicable accounting standards have been followed and that there have been no material departures;
- The accounting policies are adopted and consistently followed and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of financial year and of the Profit & Loss Account of the Company for the Financial Year;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis.

Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act, 2013, which came into force with effect from 1st April 2014, the Company had constituted the Corporate Social Responsibility (CSR) Committee.

The corporate social responsibility committee had instituted a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by Company. In the Board meeting of the Company held on 4th June 2014, an amount of Rs. 58.44 Lacs was allocated for CSR activities for the financial year ended 2015. Being the first year of the implementation, the Company's focus was to identify the CSR projects in line with the CSR Policy of the Company. As such, during the year the Company could spend an amount of Rs. 4 Lacs on CSR activities. The balance amount of Rs. 54.44 is proposed to be spent during the next year along with the amount to be allocated for the financial year 2015-16.

Nomination and Remuneration Committee

The Board of Directors of the Company at its meeting held on 04th June, 2014 has constituted the Nomination and Remuneration Committee, in line with Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee has formulated a policy relating to the appointment, remuneration and removal of Executive Directors, Key Managerial Personnel and Other Senior Management Personnel of the Company, in accordance with the provisions of Section 178 of the Act.

Audit Committee

The Company has an Audit Committee pursuant to the requirements of the Companies Act.

Auditors

The shareholders in the 17th annual general meeting of the company held on 4th June 2014, had appointed M/s. Walker, Chandio & Co., Chartered Accountants, New Delhi (Firm Registration No. 001076N), as statutory auditors to hold office from the conclusion of 17th annual general meeting till the conclusion of the forthcoming annual general meeting. Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, your directors propose before the shareholders the appointment of M/s Walker, Chandio & Co., Chartered Accountants as the statutory auditors of the Company from the conclusion of the forthcoming annual general meeting upto the conclusion of twentieth annual general meeting thereafter subject to ratification of such appointment by the shareholders in every annual general meeting held during the period. The written consent to such appointment and a certificate from M/s Walker, Chandio & Co., Chartered Accountants has been received to the effect that the appointment is in accordance with the conditions prescribed under Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and they satisfy the criteria specified under Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

Public Deposits

The Company has not accepted any Fixed Deposits from the public.

Shifting of Registered Office

The registered office of the Company was shifted from 7870-7877, F-1, Roshanara Plaza Building, Roshanara Road, Delhi - 110007 to G-4, J.R Complex, Gate No.-4, Mandoli, Delhi - 110093 with effect from 1st March 2014.

Safety, Health and Environment Protection

The Company is committed to protect the environment and safety of its employees and those associated with it.

We strive to sustain a pollution free environment by elimination of waste, optimum utilization of power and preventive maintenance of equipments and machines to keep them in good condition. The Company adheres to the provisions of environmental laws and ensures due compliance of all emission norms, recycling of effluents and timely removal of wastes and residues.

Industrial Relations

The industrial relations in the Company remained cordial and harmonious throughout the year.

Conservation of Energy & Technology Absorption

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed and forms a part of this report

Acknowledgement

The Board of Directors would like to express its sincere thanks for the support and cooperation of its promoters TPR Co., Ltd., Federal-Mogul UK Investments Limited and Federal-Mogul Goetze (India) Ltd. We also wish to place on record our deep sense of appreciation

for the committed services by the executives, staff and workers of the Company and for the encouragement and confidence extended by its dealers, vendors, customers, business associates without which it would not have been possible to achieve all round progress and growth of the Company

For and on behalf of the Board

Andreas Wilhelm Kolf
Chairman & Director

Place : Gurgaon

Date : May 22nd, 2015

Annexure to the Directors' Report

Particulars required under the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY**a) The following energy conservation measures were taken**

- Efficiency improvement of air compressors through arresting of air leakages and layout of pipe lines from underground to over head.
- Replacing very old inefficient reciprocating compressors with screw compressors
- Installation of refrigerant type air driers.
- Effective utilization of common utilities on Sundays / Holidays
- Replacing 40 watts fluorescent tubes with 18 watts LED lights in phased manner and this is continuing
- Hiring wheeling energy from outside agencies. Working on long term agreement for the same.
- Switching off the transformers on Sundays & holidays to minimize the line losses.
- By providing auto shut of valve in the air line after the air receiver end, reduced the air pressure down time whenever KEB power trips.
- Direct cooling system for pillar furnaces from centralized cooling tower to eliminate 20hp pump belongs to the melting furnaces.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy.

- Further replacement of 2 nos very old inefficient reciprocating air compressors.
- Installation of Refrigerant type air drier of 2 x 1000 cfm.

c) Impact of the above measures

The savings accrued after implementation of the above measures are approximately Rs. 52.00 lacs/ annum



FEDERAL-MOGUL TPR (INDIA) LIMITED

B. TECHNOLOGY ABSORPTION Research & Development (R&D)

1. Specific areas in which the Company carried out the R&D

- Introduction of Casting Simulation (Magma).
- Development of Elastoal II, D-Lite Architecture and GDI Bowl pistons
- Development of Low Friction Piston assembly like AV19 Coatings for piston and LKZ rings.
- Optimized designs for reduced lube oil consumption.
- Introduction of Oval Coiling in steel rings and steel ring in 2nd groove for improved wear resistance.
- GDC Coating facility installed for wear resistance.
- Installed Loser machine for LKZ rings and Gap end sharp edge removal machines.

2. Benefits derived as a result of above R & D

- New engines introduced with improved fuel economy and oil consumption
- Engines developed to meet latest emission norms
- Business opportunities with new customers and latest engines.

3. Future Plan of action

- Develop products that meet latest emission norms and meet the stringent fuel efficiency & oil consumption requirements of the market.
- I sec oil rings with reduced axial height to be developed for future engines.
- PVD coating technology to be introduced in the latest engines.

- Dura-bowl and bush fitted pistons for Ford Panther.

4. Expenditure on R&D

- Capital	NIL
- Recurring	NIL
Total	NIL

Total R & D Expenditure as a percentage of total turnover: NIL
Technology absorption, adaptation and innovation

1. Efforts in brief made towards Technology absorption, adaptation & innovation:

- Successfully absorbed technology for various stringent performance requirements from the market.
- " Technology meetings conducted for knowledge transfer of latest engineering solutions.

2. Benefits derived as a result of above efforts;

- Improved product portfolio
- Better value for cost products developed

3. Import of Technology

Technology for	Imported from	Year of Import	Status
PVD	JAPAN	2013	Planned in 2016 order under process

C. ENVIRONMENT & SAFETY

- Two treatment plants were merged together for effective monitoring and operation.
- Lock out and Tag out provisions were made on all machines for taking safety during maintenance or servicing.
- EHS recognition program for the employees has been introduced and conducted to improve the safety culture and awareness.
- Air Pollution control device has been upgraded at Nitrating furnace to improve the efficiency of air pollution control device.
- Ammonia leak detection system has been introduced to check the leaks and take necessary actions.
- Introduced waste segregation bins inside the shop floor for effective handling and disposal of wastes.
- Safety Lights curtains have been introduced on Gap sizing machine for safety of the operator.
- Machine guarding have been done on many machines to avoid accidents / incidents.

D. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange earned: Rs.6,43,658.00
Foreign Exchange Outgo: Rs.5,72,62,839.00



FEDERAL-MOGUL TPR (INDIA) LIMITED

INDEPENDENT AUDITOR'S REPORT To the Members of Federal-Mogul TPR (India) Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Federal-Mogul TPR (India) Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2015, and the Statement of Profit and Loss and Cash Flow Statement for the period 1 January 2014 to 31 March 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2015;
- ii) in the case of Statement of Profit and Loss, of the profit for the 1 January 2014 to 31 March 2015; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the period 1 January 2014 to 31 March 2015.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by Section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the financial statements dealt with by this report are in agreement with the books of account;
- d. in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and
- b. on the basis of written representations received from the directors as on 31 March 2015 under section 164(2) of the Companies Act, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013, provisions of which are consistent with clause (g) of sub-section (1) of section 274 of the Act.

Other Matter

9. The Ministry of Corporate Affairs ('MCA') had on 1 April 2014, vide its General Circular No. 07/2014, 'Dissemination of information with regards to the provisions of the Companies Act, 2013 as notified till date vis-a-vis corresponding provisions of the Companies Act, 1956', identified such sections of the Act that would cease/ continue to

have effect from 1 April 2014. Accordingly, in terms of the aforesaid Circular, our reporting in respect of clauses (iii), (v)(a) and (b), (vi), (viii), (xiv), (xviii) of the Companies (Auditor's Report) Order, 2003 (dealing with sections 49, 58A, 58AA, 209(1)(d) and 301 of the Act) is only for the period beginning from 1 January 2014 till 31 March 2014 since as per the aforementioned MCA Circular these sections have ceased to have effect from 1 April 2014.

For Walker, Chandio & Co. LLP

(formerly Walker, Chandio & Co)

Chartered Accountants

Firm Registration No.: 001076N/ N500013

per Neeraj Sharma

Place : Gurgaon

Partner

Date : May 22, 2015

Membership No.: 502013

Annexure to the Independent Auditors' Report of even date to the members of Federal-Mogul TPR (India) Limited, on the financial statements for the period 1 January 2014 to 31 March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) All fixed assets have not been physically verified by the management during the period; however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) In our opinion, a substantial part of fixed assets has not been disposed off during the period.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the period, except for goods-in-transit.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii) (d) of the Order are not applicable.
(e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained



FEDERAL-MOGUL TPR (INDIA) LIMITED

under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) (a) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) (a) The Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the period-end for a period of more than six months from the date they become payable.

(b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Central Excise Act 1944	Service Tax on chrome plating	38,930,000	2008-11	Central Excise and Service Tax Appellate Tribunal
Central Excise Act 1944	Excise on trade discount	242,426	2000-04	Joint Commissioner Central Excise
Central Excise Act 1944	Service tax on chrome plating	15,151,000	2006-07	Commissioner Excise
Central Excise Act 1944	Service Tax on management fees and sole selling commission	1,235,000	2008-10	Central Excise and Service Tax Appellate Tribunal
Central Excise Act 1944	Service Tax input credit on common sharing of Plant & HO	4,330,000	2013-14	Central Excise and Service Tax Appellate Tribunal
Central Excise Act 1944	Service Tax chrome plating	11,835,000	2013-14	Commissioner, Excise
Central Excise Act 1944	Service Tax credit on sole selling agent	5,650,000	2010-11	Central Excise and Service Tax Appellate Tribunal
Central Excise Act 1944	Service tax demand on management fees	9,812,000	2006-09	Central Excise and Service Tax Appellate Tribunal
Central Excise Act 1944	Service tax demand on management fees	21,980,000	2011-13	Central Excise and Service Tax Appellate Tribunal
Income tax act 1961	Disallowance of proportionate royalty expense	252,843	2009-10 Tax (Appeals)	Commissioner Income
Income tax act 1961	Disallowance of upfront processing fees paid to bank	1,16,564	2009-10 Tax (Appeals)	Commissioner Income
Income	Credit Disallowed on Selling Commission	13,515,000	2008-10	Commissioner Income Service Tax Appellate Tribunal
Central Excise Act 1944	CENVAT credit on chrome plating income.	61,196,000	2007-08	Commissioner of Excise
Central Excise Act 1944	Disallowance of CENVAT credit	11,550,000	2007-08 & 2010-11	Central Excise and Service Tax Appellate Tribunal
Central Excise Act 1944	Service tax on chrome plating	18,053,000	2005-06	Central Excise and Service Tax Appellate Tribunal
Central Excise Act 1944	Service Tax availed by the towards outward freight	197,000	2012-13	Commissioner, Excise
Central Excise Act 1944	Service tax input credit on common sharing	23,338,000	2010-13	Additional Commissioner (Excise)
Central Excise Act 1944	Service tax credit on sole selling commission	3,572,000	2014-15	Commissioner, excise
Central Excise Act, 1961	Service tax on chrome plating	8,067,000	2014-15	Commissioner, Excise Act 1944 Income tax
Income Tax Act, 1961	Disallowance out of technical training fee	181,727	2010-11	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Disallowance of Miscellaneous expenses	37,159	2010-11	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Disallowance of Service tax written off	772,788	2011-12	Commissioner of Income Tax (Appeals)

x) In our opinion, the Company has no accumulated losses at the end of the financial period and it has not incurred cash losses in the current and the immediately preceding financial period.

(xi) The Company has no dues payable to a financial institution or a bank or debenture-holders during the period. Accordingly, the provisions of clause 4(xi) of the Order are not applicable.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly,

provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

(xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.

(xvi) The Company did not have any term loans outstanding during the period. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable.

(xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.

(xviii) During the period, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

(xix) The Company has neither issued nor had any outstanding debentures during the period. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.

(xx) The Company has not raised any money by public issues during the period. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.

(xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Walker, Chandio & Co LLP
(formerly Walker, Chandio & Co)
Chartered Accountants
Firm Registration No.: 001076N/
N500013

per Neeraj Sharma

Place : Gurgaon Partner
Date : May 22, 2015 Membership
No.: 502013



FEDERAL-MOGUL TPR (INDIA) LIMITED

BALANCE SHEET AS AT 31 MARCH, 2015

(All amounts in Indian Rupees, unless otherwise stated)

	Notes	As at 31 March, 2015 Amount in Rs.	As at 31 December, 2013 Amount in Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	10,00,00,000	10,00,00,000
Reserves and surplus	4	7,87,913,973	66,32,86,801
		88,79,13,973	76,32,86,801
Non-current liabilities			
Deferred tax liabilities (net)	5	1,06,35,793	1,35,09,789
Long-term provisions	6	65,03,091	50,51,164
		1,71,38,884	1,85,60,953
CURRENT LIABILITIES			
Trade payables	7	6,61,76,076	6,20,12,681
Other current liabilities	8	98,84,361	1,11,26,729
Short-term provisions	6	11,41,19,250	8,22,54,144
		19,01,79,687	15,53,93,554
Total		1,09,52,32,544	93,72,41,308
Assets, Non-current assets, Fixed Assets			
Tangible assets	9	18,50,69,396	22,12,70,108
Capital work-in-progress		86,26,671	10,94,705
Long-term loans and advances	10	2,76,89,717	45,855,353
		22,13,85,784	26,82,20,166
Current Assets			
Inventories	13	8,44,54,769	8,11,53,606
Trade receivables	14	29,66,05,849	20,02,71,343
Cash and bank balances	15	15,99,12,056	7,94,87,948
Short-term loans and advances	11	32,71,37,325	30,60,38,676
Other current assets	12	57,36,761	20,69,569
		87,38,46,760	66,90,21,142
TOTAL		1,09,52,32,544	93,72,41,308

Accompanying notes from an integral part of these financial statements

This is the balance sheet referred to in our report of even date.

For Walker Chandiook & Co LLP
(formerly Walker Chandiook & Co)
Chartered Accountants

For and on behalf of the Board of Directors of
Federal-Mogul TPR (India) Limited

per **Neeraj Sharma**
Partner
M. No. 502103

Sachin Selot
Director
DIN : 06700360

Vinod Kumar Hans
Director
DIN : 03328309

Anand Kumar Sahoo
Company Secretary

Place: Gurgaon
Date: May 22, 2015



FEDERAL-MOGUL TPR (INDIA) LIMITED

Statement of Profit and loss for the period 1 January 2014 to 31 March 2015

(All amounts in Indian Rupees, unless otherwise stated)

	Notes	For the Period 1 January 2014 to 31 March 2015	For the Period 1 January 2013 to 31 December 2013
REVENUE			
Revenue from operations (gross)		1,42,64,54,802	1,15,30,18,998
Less: Excise duty		153,111,837	13,68,77,072
Revenue from operations (net)	16	1,273,342,965	1,01,61,41,926
Other income	17	49,953,615	2,89,57,936
TOTAL		1,323,296,580	1,04,50,99,862
EXPENSES			
Cost of materials consumed	18	334,693,038	26,99,63,248
Decrease/ (increase) in inventories of finished goods and work-in-progress	19	(11,479,064)	39,47,708
Employee benefits expenses	20	59,260,595	4,58,10,921
Finance cost	21	1,741,581	18,38,011
Depreciation and amortisation expense	9	40,405,125	2,91,27,098
Other expenses	22	545,231,634	40,81,52,610
TOTAL		969,852,909	75,88,39,596
Profit before tax		353,443,671	28,62,60,266
Tax expense			
Current tax		126,695,745	9,29,04,347
Deferred tax (reversal)/ charge		(2,873,996)	89,29,714
Total tax expenses		123,821,749	10,18,34,061
Profit for the period		229,621,922	18,44,26,205
Earnings per equity share	23		
Basic and diluted		22.96	18.44

Accompanying notes from an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date.

For Walker Chandiook & Co LLP
(formerly Walker Chandiook & Co)
Chartered Accountants

For and on behalf of the Board of Directors of
Federal-Mogul TPR (India) Limited

per Neeraj Sharma
Partner
M. No. 502103

Sachin Selot
Director
DIN : 06700360

Vinod Kumar Hans
Director
DIN : 03328309

Anand Kumar Sahoo
Company Secretary

Place: Gurgaon
Date: May 22, 2015



FEDERAL-MOGUL TPR (INDIA) LIMITED

Notes to the financial statements for the period 1 January 2014 to 31 March 2015

(All amounts in Indian Rupees, unless otherwise stated)

1. Corporate Information

Federal-Mogul TPR (India) Limited (the 'Company') is a subsidiary of Federal-Mogul Goetze (India) Limited. The Company in technical collaboration with Teikoku Piston Ring Co. Ltd, Japan and Federal Mogul UK Investments Limited, a group Company of Federal-Mogul Corporation, (the ultimate parent Company), manufactures steel rings used in passenger vehicles automobiles.

At the year end, 51% of the shares of the Company are held by Federal-Mogul Goetze (India) Limited and 49% of the shares are equally (24.5% each) held by Teikoku Piston Ring Co. Ltd and Federal Mogul UK Investments Limited, a group company of Federal-Mogul Corporation.

2. Basis of Preparation and Presentation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of comparative period.

Due to change in the financial year of the company from 31 December to 31 March year, financial statements are prepared for 15 months starting from 1 January 2014 to 31 March 2015.

2.1 Summary of significant accounting policies

a) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized in the current and future periods.

b) Tangible fixed assets and capital work-in-progress

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

c) Depreciation on tangible fixed assets

Depreciation is provided using the straight line method, as under:

i) Depreciation is provided using the straight line method (SLM) as per the useful lives of the assets estimated by the management and is equal to or higher than rates prescribed under Schedule XIV of the Companies Act, 1956:

Asset Class	Schedule XIV Rates (SLM)	Rates used by the Company
(i) Plant & Machinery - Single Shift	4.75%	4.75%
- Double Shift	7.42 %	7.42 %
- Triple Shift	10.34 %	10.34 %
(ii) Computers	16.21 %	16.21 %
(iii) Furniture, fittings & office equipment	6.33 %	6.33 %
(iv) Vehicles	9.50 %	33.33 %

(ii) Depreciation on assets costing 5000/- or below is charged @ 100% per annum in the year of purchase.

d) Leases

Leases where the Lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

e) Impairment of tangible and intangible assets

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares and bought out tools

Lower of cost or net realizable value. Cost represents purchase price and other direct costs and is determined on a moving weighted average cost basis. However materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-progress.

Lower of cost or net realizable value. Cost for this purpose includes material, labour and appropriate allocation of overheads.

Finished goods

Lower of cost or net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs.

g) Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and are recorded net of trade discounts and sales tax / value added tax.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.



FEDERAL-MOGUL TPR (INDIA) LIMITED

h) Foreign Currency Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

i) Retirement and other employee benefits

(i) Retirement benefits in the form of Provident Fund and Employee State Insurance Scheme are defined contribution plans and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

(ii) Gratuity liability under the Payment of Gratuity Act is defined benefit obligations and is accrued on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

(iii) Short term compensated absences are provided for on the basis on estimates. Long term compensation liability for leave encashment is determined on the basis of Company policy and recorded on the basis of valuation by an independent actuary at the end of the financial year. The actuarial valuation is done as per projected unit credit method.

(iv) Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

(v) Superannuation Benefit

The Company's superannuation obligation is a defined contribution scheme and is administered with Life Insurance Corporation of India (LIC). Contributions to the defined contribution scheme are charged to statement of profit and loss when contributions paid/ payable are due to such fund. There are no other obligations other than the contribution payable to the respective trusts.

j) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will not be available.

k) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or losses for the period attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l) Provisions, contingent liabilities and contingent asset

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are usually not provided for, unless it is probable that the future outcome may be materially detrimental to the Company. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefits is remote.

Contingent assets are not recognized in the financial statement.

m) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



FEDERAL-MOGUL TPR (INDIA) LIMITED

Notes to the financial statements for the period 1 January 2014 to 31 March 2015

(All amounts in Indian Rupees, unless otherwise stated)

3 : Share Capital

	As at 31 March, 2015	As at 31 December, 2013
Authorized shares		
10,000,000 equity shares of Rs. 10/- each.	100,000,000	100,000,000
1,000,000 6% redeemable cumulative Preference Shares of Rs. 100 each	100,000,000	100,000,000
	200,000,000	200,000,000
Issued, subscribed and fully paid-up share capital		
10,000,000 equity shares of Rs. 10/- each.	100,000,000	100,000,000
Total issued, subscribed and fully paid-up share capital	100,000,000	100,000,000

(a) There is no movement in equity share capital during the current period and comparative period

(b) Terms/ rights attached to shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the period ended 31 March, 2015, the amount of per share dividend recognized as distributions to equity shareholders is Rs. 8.75 per share (31 December 2013: Rs.7 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company.

Name of the shareholder	31 March, 2015		31 December, 2013	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of Rs 10 each				
Federal-Mogul Goetze (India) Limited, India	5,100,000	51.00%	5,100,000	51.00%
Federal Mogul UK Investment Limited, UK	2,450,000	24.50%	2,450,000	24.50%
Teikoku Piston Ring Co. Limited, Japan	2,450,000	24.50%	2,450,000	24.50%
Total	10,000,000	100%	10,000,000	100%

(d) Shares held by holding company

Name of the shareholder	31 March, 2015		31 December, 2013	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of Rs 10 each				
Federal-Mogul Goetze (India) Limited, India	51,00,000	51.00%	51,00,000	51.00%

(e) The Company has not issued any equity shares pursuant to any contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the current reporting period of fifteen months and immediately preceding four years.



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in Indian Rupees, unless otherwise stated)

	As at 31 March, 2015	As at 31 December, 2013		
4 : Reserves and Surplus				
Capital redemption reserve	10,00,00,000	10,00,00,000		
General Reserve				
Balance at the beginning of the year	9,09,00,000	6,87,00,000		
Add: Transferred from the balance in statement of profit and loss	2,35,00,000	2,22,00,000		
Closing balance	1,14,400,000	9,09,00,000		
Surplus in the statement of profit and loss				
Balance at the beginning of the year	4,72,386,801	39,20,57,096		
Add: Transferred from statement of profit and loss	2,29,621,922	18,44,26,205		
Less: Appropriations:				
Proposed dividends on equity shares (Rs 8.75 per equity share , as on 31 December 2013 Rs 7 per equity share)	87,500,000	7,00,00,000		
Tax on proposed dividend - equity shares	17,494,750	1,18,96,500		
Transfer to general reserve	23,500,000	2,22,00,000		
Total appropriations	1,28,494,750	10,40,96,500		
Net surplus in the statement of profit and loss	5,73,513,973	47,23,86,801		
Total reserves and surplus	7,87,913,973	66,32,86,801		
5 : Deferred tax liability (net)				
Deferred tax liabilities				
Impact of difference between depreciation as per tax books and depreciation and amortization charged for the financial reporting	1,54,63,662	1,91,53,440		
Gross deferred tax liabilities	1,54,63,662	1,91,53,440		
Deferred tax assets				
Provision for employee benefits	2,343,887	18,38,453		
Royalty expenses	1,229,301	27,05,317		
Provision for doubtful debts and advances	1,27,987	27,651		
Others	1,126,694	10,72,230		
Gross deferred tax assets	48,27,869	56,43,651		
Deferred tax Liabilities (net)	1,06,35,793	1,35,09,789		
6. Long-term provisions and short term provisions				
	Non-current		Current	
	As at	As at	As at	As at
	31 March 2015	31 December 2013	31 March 2015	31 December 2013
Provision for gratuity (Refer note 31)	5,154,042	39,51,998	3,12,316	2,71,195
Provision for leave encashment	1,349,049	10,99,166	95,907	86,449
	6,503,091	50,51,164	4,08,223	3,57,644
Other provisions				
Proposed dividend	-	-	87,500,000	7,00,00,000
Tax on proposed dividend	-	-	17,494,750	1,18,96,500
Provision for taxation (amount net of advance tax)	-	-	87,16,277	-
	-	-	113,711,027	8,18,96,500
	6,503,091	5,051,164	114,119,250	8,22,54,144



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in Indian Rupees, unless otherwise stated)

	As at 31 March, 2015	As at 31 December, 2013		
7. Trade payables				
Trade payables (including acceptances)				
- Due to micro, small and medium enterprises (refer note 30)	1,079,160	8,38,805		
- Total outstanding dues to units other than Micro, Small & Medium Enterprises	6,50,96,916	6,11,73,876		
	6,61,76,076	6,20,12,681		
8. Other current liabilities				
Advance from customers	4,48,492	6,26,724		
Other payables				
Statutory liabilities	1,997,503	19,02,160		
Other liabilities	7,438,366	85,97,845		
	9,884,361	1,11,26,729		
9. Tangible Assets				
Particulars	Plant and Machinery	Furniture and Fixtures	Vehicle	Total Tangible Assets
Gross block				
Balance as at 1 January 2013	46,81,49,545	16,11,026	31,710	49,97,92,281
Additions	10,71,26,189	-	-	10,71,126,189
Disposals	(43,21,062)	(3,62,654)	-	(4,683,716)
Balance as at 31 December 2013	57,09,54,672	12,48,372	31,710	57,22,34,754
Balance as at 1 January 2014	57,09,54,672	12,48,372	31,710	57,22,34,754
Additions	4,877,848	-	-	48,77,848
Disposals	(13,443,253)	(30,279)	-	(13,473,532)
Balance as at 31 March 2015	56,23,89,267	1,218,093	31,710	56,36,39,070
Accumulated depreciation				
Balance as at 1 January 2013	324,229,818	1,250,620	23,863	3,25,504,301
Depreciation charge	29,094,000	30,086	3,012	29,127,098
Adjusted on disposal of assets	(3,330,700)	(336,053)	-	(3,666,753)
Balance as at 31 December 2013	34,99,93,118	9,44,653	26,876	35,09,64,646
Balance as at 1 January 2014	34,99,93,118	9,44,653	26,876	35,09,64,646
Depreciation charge	4,03,98,274	3,349	3,502	4,04,05,125
Adjusted on disposal of assets	(1,27,71,332)	(28,765)	-	(12,800,097)
Balance as at 31 March 2015	37,76,20,060	9,19,237	30,378	37,85,69,674
Net Block				-
Balance as at 31 December 2013	22,09,61,555	3,03,719	4,834	22,12,70,108
Balance as at 31 March 2015	18,47,69,207	2,98,856	1,332	18,50,69,396
10. Long-term loans and advances				
Advance income-tax (amount net of provision for taxation)			-	1,81,81,530
Taxes paid under protest			2,76,89,717	2,76,73,823
			2,76,89,717	4,58,55,353
11. Short-term loans and advance				
Unsecured, considered good				
Deposits with excise and other tax authorities			1,14,67,216	1,54,38,120
Advances to Holding Company (Refer Note 26)			3,11,000,000	28,50,00,000
Prepaid expenses			6,64,659	6,96,382
Others advances			40,05,450	49,04,174
			32,71,37,325	30,60,38,676
12. Other current assets				
Interest accrued on deposits with Holding Company			2,258,371	2,069,569
Interest accrued on bank deposits			3,478,390	-
			5,736,761	2,069,569



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in Indian Rupees, unless otherwise stated)

	As at 31 March, 2015	As at 31 December, 2013
13. Inventories (Valued at lower of cost or net realizable value)		
Raw materials and components	3,54,53,675	4,33,34,529
Stores and spares	55,23,205	58,20,252
Work-in-progress	2,82,15,603	1,78,92,809
Finished goods (includes goods in transit Rs.2,59,771 (As at 31 December 2013 Rs. 8,992,267).	1,52,62,286	1,41,06,016
	8,44,54,769	8,11,53,606
14. Trade receivables		
Balance outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered doubtful	3,76,545	81,351
	3,76,545	81,351
Less Provision for doubtful debts	(3,76,545)	(81,351)
	-	-
Balance outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	29,66,05,849	20,02,71,343
	29,66,05,849	20,02,71,343
15. Cash & bank balances		
Cash and cash equivalents		
Cash and Cheques on hand	224	15,86,731
Balances with Scheduled Banks:		
On Current Accounts	70,431,638	3,03,81,038
	70,431,862	3,19,67,769
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months from balance sheet date (pledged with government authorities)	29,480,194	2,66,05,297
Deposits with original maturity for more than 3 months but less than 12 months from balance sheet date	60,000,000	2,09,14,882
	89,480,194	4,75,20,179
	159,912,056	7,94,87,948
	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
16. Revenue from operations (net)		
Revenue from operations		
Sale of products	1,42,56,65,219	1,15,13,26,035
Other operating revenue	7,89,583	16,92,963
	1,42,64,54,802	1,15,30,18,998
Less: Excise duty	(1,53,111,837)	(13,68,77,072)
	1,27,33,42,965	1,01,61,41,926
Details of products sold		
Manufactured goods		
Steel rings	1,42,56,65,219	1,15,13,26,035
Total	1,42,56,65,219	1,15,13,26,035



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in Indian Rupees, unless otherwise stated)

	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
17. Other income		
Interest income on		
Bank deposits	1,04,04,422	42,47,495
On Inter-Corporate deposit	3,73,54,520	2,27,29,892
Excess liabilities written back	2,22,905	17,05,545
Gain on exchange differences (net)	2,75,042	-
Miscellaneous income	16,96,726	2,75,004
	4,99,53,615	2,89,57,936
18. Cost of materials consumed		
Steel wire	14,81,56,001	11,66,73,278
Bought out rings	17,72,62,591	11,70,42,926
Others	92,74,446	3,62,47,044
	33,46,93,038	26,99,63,248
19. Decrease/ (Increase) in inventories of finished goods and work-in-progress		
Opening stock		
Work-in-process	1,78,92,809	1,94,17,889
Finished products	1,41,06,016	1,65,28,644
	3,19,98,825	3,59,46,533
Closing stock		
Work-in-process	2,82,15,603	1,78,92,809
Finished products	1,52,62,286	1,41,06,016
	4,34,77,889	3,19,98,825
	(1,14,79,064)	39,47,708
20. Employee benefits expenses		
Salaries, wages and bonus	5,11,90,455	4,10,04,842
Contribution to provident fund and other funds	38,40,529	27,60,900
Contribution to super annuation	4,21,468	38,647
Gratuity expenses (Refer note 31)	14,66,641	4,63,046
Workmen and staff welfare expenses	23,41,502	15,43,486
	5,92,60,595	4,58,10,921
21. Finance cost		
Interest	8,39,836	7,57,929
Bank charges	9,01,745	10,80,082
	17,41,581	18,38,011



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in Indian Rupees, unless otherwise stated)

	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
22. Other expenses		
Consumption of stores and spares	11,49,67,153	8,23,38,359
Sub-contracting expenses	60,86,897	37,72,812
Chrome plating charges	17,92,49,950	12,66,86,265
(Decrease)/Increase in excise duty on finished goods	(24,88,234)	7,77,943
Power and fuel	1,56,14,490	1,03,88,138
Freight and forwarding charges	77,29,233	25,05,476
Rent (Refer note 28)	1,00,37,999	80,34,002
Rates and taxes	39,20,256	49,79,206
Insurance	5,95,455	6,19,874
Repairs and maintenance		
Plant and machinery	27,54,390	6,65,994
Buildings	17,98,854	22,49,176
Others	27,17,738	41,24,593
Advertising and sales promotion	1,84,92,663	1,52,39,078
Sole selling commission	5,27,27,041	4,44,87,026
Management support charges	10,09,26,712	7,37,41,321
Royalty	2,21,27,112	1,53,61,783
Product rectification charges	35,639	15,233
Legal and professional fees	29,77,951	41,14,712
Travelling and conveyance	13,25,547	12,54,163
Printing and stationery	7,79,426	6,93,317
Auditors' remuneration*	6,50,000	6,50,000
Corporate social responsibility expenses (refer note no. 37)	4,00,000	-
Exchange differences (net)	-	27,67,431
Environmental maintenance and remediation	-	8,52,325
Bad debts	2,95,194	-
Loss on sale of fixed assets (net)	6,73,433	10,16,964
Miscellaneous expenses	8,36,735	8,17,419
	54,52,31,634	40,81,52,610
*Auditors remuneration		
- Audit fee	5,50,000	4,75,000
- Tax audit fee	1,00,000	1,75,000
	6,50,000	6,50,000

23. Earnings per share		
Net profit after tax as per statement of profit & loss (Rs.)	22,96,21,922	18,44,26,205
Profit available for equity shareholders	22,96,21,922	18,44,26,205
Weighted average number of equity shares outstanding during the period	1,00,00,000	1,00,00,000
Basic and Diluted Earnings per share (Rs.)	22.96	18.44

24. Capital and other commitments (net of capital advances)

Total estimated amount of contracts, remaining to be executed on capital account and not provided for as at 31 March 2015 is Rs.25,043,159 (As at 31 December 2013 Rs. Nil).

25. Contingent liabilities :

Particulars	As at 31 March, 2015 (Rs.)	As at 31 December, 2013 (Rs.)
Claims/notices against the company not acknowledged as debt		
a) Excise duty and Service tax *	24,86,35,426	13,98,33,489
b) Sales tax *	-	4,55,59,359
c) Income tax demands *	16,57,534	9,35,177

* The management is of the opinion that the appeals will be allowed in favour of the Company and hence no provision is required for the above



Notes to the Accounts

A) In relation to (a) above, following are the Excise duty cases contested by the Company:

- i) Matter pending with Commissioner of Central Excise:
 - a) In relation to deduction of trade discounts for the period 2000-2002 to 2003-2004. The amount involved is Rs. 2.42 lacs (Previous period Rs. 2.42 lacs)
 - b) Company has received demand notice for the period 2007-08, which is on account of demand for service tax on supplementary bills on job work charges for price reduction passed on by one of the suppliers. The amount involved including interest and penalties is Rs.29.84 lacs (As at 31 December 2013 Rs. Nil).
 - c) In respect of irregular availment of cenvat credit on certain products obtained on job work basis for the period 2010 - 2013. The amount involved including interest and penalties is Rs.807 lacs (Previous period Rs. Nil). On this issue, seven cases are pending before CESTAT.
 - d) In respect of notice received for the period Aug 2013-Jan2014 on account of Cenvat credit taken of service tax on job work charges. The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. A stay was also granted to the Company in the month of February 2012 in this matter. The amount involved is Rs.199.02 lacs (Previous period Rs.Nil).
 - e) On the issue of denial of service tax credit on job work, tax authorities has filed an appeal before the High Court against the Order of CESTAT. The tax demand was Rs.611.96 lacs in this case (Previous period Rs. Nil)
 - f) Company has received demand notice for the period 2010-14, which is on account of demand for service tax credit on sole selling expenses made by the Company. The amount involved including interest and penalties is Rs. 255.52 lacs (Previous period Nil).
 - g) Company has received two demand notice for the period 2008-10, which is on account of demand for service tax credit on sole selling expenses made by the Company. The amount involved including interest and penalties is Rs.191.65 lacs (Previous period Rs.135.15 lacs).
 - h) In respect of availment of service tax credit in relation to management consultancy service for the period 2006-09. The amount involved is Rs.98.12 lacs (Previous period Rs.98.12 lacs).
 - i) In respect of availment of cenvat credit (service tax) in relation to cross charges for the period 2010 to 2014. The amount involved is Rs.276.7 lacs (Previous period Rs.Nil).
 - j) Company has received demand notice for the period 2010-12, where service tax credit disallowed on few services in the service tax audit whose tax demand is Rs.12.35 lacs. (Previous period 12.35 lacs.)
 - k) Company has received demand notice for the period 2012-13, which is on account of demand for service tax credit on frieght outward expenses made by the Company. The amount involved including interest and penalties is Rs. 1.97 lacs (Previous period 1.97 lacs.)

B) In relation to (b) above, following are the Sales tax cases contested by the Company:

- i) The matter is pending before the Joint Commissioner of Commercial taxes("JCCT"Appeals), Bangalore:
 - a) The matter is pending at Assessing Officer for appeal effect in respect of Assessment Year 2010-11, disallowances were made on account of certain Advance written-off in books and expenditure incurred on technical training fee. The amount involved is Rs. Nil (Previous period 3.69 lacs.)

C) In relation to (c) above, following are the Income tax cases contested by the Company:

- i) In respect of Assessment Year 2010-11, 2011-12 and 2014-15 Company has received TDS default notices on account of short deduction/ short payment of tax deduction at Source. The amount involved is Rs. 6.65 lacs. (Previous period 5.69 lacs.)
- ii) The matter is pending at Assessing Officer for appeal effect in respect of Assessment Year 2011-12, disallowances were made on account of miscellaneous expense and technical training fee. The amount involved is Rs. 2.19 lacs. (Previous period Nil).
- iii) The matter is pending at Assessing Officer for appeal effect in respect of Assessment Year 2012-13, disallowances were made on account of certain Service Tax recoverable written-off in books and expenditure incurred on technical training fee. The amount involved is Rs. 7.73 lacs. (Previous period Nil).

26. Related party disclosure

- i) List of related parties and related party relationship:

Name of the Party

Federal-Mogul Corporation
Federal-Mogul Goetze (India) Limited
Federal Mogul UK Investments Limited
Teikoku Piston Ring Co. Ltd., Japan
Federal Mogul Sistemas
Federal Mogul Burshied
Mr. Anand Kumar Sahoo
Mr. S. Raghavendra

Nature of relationship

Ultimate Holding Company
Holding Company
Common control with Holding Company
Common control with Holding Company
Fellow Subsidiary
Fellow Subsidiary
Company Secretary
Manager



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in Indian Rupees, unless otherwise stated)

ii) Summary of related party transactions

Particulars	Holding Company			Common Control with Holding Company			Fellow Subsidiary			Key Managerial Personnel			Total	
	Federal Mogul Geetze (India) Ltd.	Federal Mogul UK Investments Limited	Telke Piston Rings Co. Ltd.	Federal Mogul Sistamas	Federal Mogul Burschied	Mr. Anand Kumar Sahoo	Mr. S Raghavendra	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013	
Sales	90,32,86,593	-	-	-	-	-	-	-	-	-	-	90,32,86,593	53,21,17,339	
Purchase of raw material, Intermediaries and finished goods	16,37,13,928	-	1,00,22,225	-	-	-	-	12,01,892	-	-	-	17,49,38,046	15,92,53,315	
Dividend Paid / Proposed	3,57,00,000	1,71,50,000	1,71,50,000	-	-	1,71,50,000	-	-	-	-	-	7,00,00,000	7,00,00,000	
Management fee paid	10,09,26,712	-	-	-	-	-	-	-	-	-	-	10,09,26,712	7,37,41,322	
Job work Expenses	17,92,49,950	-	-	-	-	-	-	-	-	-	-	17,92,49,950	12,66,86,265	
Sole selling commission paid	5,27,27,041	-	-	-	-	-	-	-	-	-	-	5,27,27,041	4,44,87,026	
Remuneration	-	-	-	-	-	-	-	-	-	13,28,566	18,46,478	40,36,246	18,46,478	
Reimbursement of Expenses paid	-	-	-	-	-	-	-	-	-	-	-	-	4,57,567	
Rent Expense	97,50,000	-	-	-	-	-	4,57,567	-	-	-	-	97,50,000	78,00,000	
Royalty Expense	-	-	-	-	-	-	-	-	-	-	-	-	2,21,27,112	
Inter-Corporate Deposit (ICD) given	9,10,00,000	-	2,21,27,112	-	-	1,53,61,783	-	-	-	-	-	9,10,00,000	8,50,00,000	
Inter-Corporate Deposit (ICD) received back	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest on ICD	6,50,00,000	-	-	-	-	-	-	-	-	-	-	6,50,00,000	-	
Balance outstanding at the end of the period (Receivable) (Refer note - 1)	3,73,54,521	-	-	-	-	-	-	-	-	-	-	3,73,54,521	2,27,29,892	
Balance outstanding as at the end of the period (Payable)	51,74,37,490	-	42,93,398	-	-	86,84,891	-	12,13,501	-	-	-	51,74,37,490	41,55,32,947	
	-	-	-	-	-	-	4,57,567	-	-	-	-	55,06,900	91,42,458	

Note 1: Receivables from Federal-Mogul Geetze (India) Limited include receivable against inter-corporate deposit given for Rs. 311,000,000 (As as 31 December 2013 Rs.285,000,000).



FEDERAL-MOGUL TPR (INDIA) LIMITED

27. Segment information

The Company is primarily engaged in the business of manufacturing of steel rings. As the Company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosure prescribed by Accounting Standard 17, "Segment Reporting", have not been provided in these financial statements.

28. Operating Lease

(a) The total of future minimum lease payments under non-cancellable operating leases for each of the following periods :

	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
(i) not later than one year;	78,00,000	78,00,000
(ii) later than one year and not later than five years;	3,12,00,000	3,12,00,000
(iii) later than five years;	-	78,00,000

(b) The lease payments recognised in the statement of profit and loss for the period is Rs 10,037,999 and for the comparative period Rs. 8,034,002.

29. Particulars of unhedged foreign currency exposure as at the balance sheet date

Import Creditors	Foreign currency	Rate	Amount
USD			
Current period	2,30,006	63.93	1,47,04,294
Comparative period	1,05,220	63.09	66,38,335
Euro			
Current period	18,023	69.17	12,46,620
Comparative period	17,735	87.08	15,44,359
JPY			
Current period	10,198,972	0.53	5,431,973
Comparative period	(8,697,298)	0.60	(5,236,643)

Note: Figures in bracket signifies advance to vendors.

Export debtors	Foreign currency	Rate	Amount
RMB			
Current period	-	-	-
Comparative period	72,616	0.14	10,315
JPY			
Current period	66,60,496	0.51	3,390,859
Comparative period	-	-	-

30. Based upon the supplier profile available with the Company, no creditor is covered under micro, small and medium enterprise.

Particulars	As at 31 March 2015	As at 31 December 2013
The principal amount remaining unpaid as at the end of reporting period	1,079,160	838,805
Interest due on above principal and remaining unpaid as at the end of the period	8,987	5,307
The amount of interest paid by the buyer in terms of section 16, of the Micro small and medium enterprise development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro small and medium enterprise development Act, 2006.	82,751	35,592
The amount of interest accrued and remaining unpaid at the end of each accounting period; and	91,738	40,899
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro small and medium enterprise development Act, 2006	621,881	530,143

31. Disclosures in accordance with revised AS-15 on "Employee Benefits"

The Company has a defined benefit gratuity plan (non funded). Every employee who has completed five years or more of services, gets a gratuity on departure at 15 days basic salary (last drawn) for each completed year of service on terms not less favorable than the provisions of the payment of Gratuity Act, 1972. The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

Net employee benefit expense (recognized in Employee benefit expense)

	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
Current service cost	6,20,467	4,77,414
Interest cost on benefit obligation	4,73,892	2,92,397
Net actuarial loss/(gain) recognised in the year	3,72,282	(3,06,765)
Net benefit expense	14,66,641	4,63,046
	As at 31 March 2015	As at 31 December 2013

Balance Sheet

Details of Provision for gratuity		
Defined benefit obligation	54,66,358	42,23,193
Plan liability	54,66,358	42,23,193



FEDERAL-MOGUL TPR (INDIA) LIMITED

(Amount in Rs.)

	As at 31 March, 2015	As at 31 December, 2013
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	42,23,191	37,60,145
Interest cost	4,73,892	2,92,397
Current service cost	6,20,467	4,77,414
Benefits paid	(2,23,475)	-
Actuarial losses/(gains) on obligation	3,72,283	(3,06,765)
Closing defined benefit obligation	54,66,358	42,23,191

The principal assumptions used in determining gratuity for the Company's plan is shown below:

Discount rate	7.75%	9.00%
Normal retirement age	58 years	58 years
Employee turnover	5%	5%

The estimates of seniority, future salary increases, considered in actuarial valuation, take account of price inflation, promotions and other relevant factors, such as supply and demand in the employment market.

Amount for the current year and previous four years are as follows:

Particulars	Period ended 31 March 2015	Period ended 31 December 2013	Period ended 31 December 2012	Period ended 31 December 2011	Period ended 31 December 2010
Defined benefit obligation	54,66,358	4,223,191	3,760,145	3,983,857	1,684,782
Plan Assets	-	-	-	-	-
Surplus / (deficit)	(54,66,358)	(4,223,191)	(3,760,145)	3,983,857	1,684,782
Experience adjustments on plan liabilities	(41,602)	160,907	(385,953)	(589,018)	40,438

32. Expenditure in foreign currency (on accrual basis)

Travelling expenses	2,63,199	-
Technical fees	5,72,528	9,86,372
Royalty	2,21,27,112	1,53,61,783
Total	2,29,62,839	1,63,48,155

33. Remittance in foreign currency on account of dividend:

Particulars	Period	No. of shares held	No. of non resident share holders	Amount
Equity shares	1 January 2014 till 31 March 2015	49,00,000	2	3,43,00,000
	1 January 2013 till 31 December 2013	49,00,000	2	3,43,00,000
		For the period 1st January 2014 to 31 March 2015		For the period 1st January 2013 to 31 December 2013

34. Value of imports calculated on CIF basis (On accrual basis)

Raw materials	14,88,30,717	12,86,65,114
Spare parts and components	4,08,04,457	4,32,67,230
Capital goods (including CWIP)	6,51,03,67	5,97,29,111
Total	19,61,45,541	23,16,61,455

35. Imported and indigenous raw material, components and spare parts consumed

	For the period 1st January 2014 to 31 March 2015		For the period 1st January 2013 to 31 December 2013	
	% of total consumption	Value Amount	% of total consumption	Value Amount
Raw materials and components				
Indigenous	56%	18,65,37,037	51%	13,71,83,008
Imported	44%	14,81,56,001	49%	13,27,80,240
	100%	33,46,93,038	100%	26,99,63,248
Stores, spares and tools				
Indigenous	98%	11,30,72,841	99%	8,11,86,936
Imported	2%	18,94,312	1%	11,51,423
	100%	11,49,67,153	100%	8,23,38,359



FEDERAL-MOGUL TPR (INDIA) LIMITED

36. Per transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961, the Company is required to use certain specific methods in computing arm's length prices of international transactions with associated enterprises and maintain adequate documentation in this respect. Since law requires existence of such information and documentation to be contemporaneous in nature, the Company has appointed independent consultants for conducting a Transfer Pricing Study (the 'Study') to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arms length basis". Management is of the opinion that the Company's international transactions are at arm's length and that the results of the on-going study will not have any impact on the financial statements and the independent consultants appointed have also preliminarily confirmed that they do not expect any transfer pricing adjustments.

37. Corporate social responsibility

- a) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Act is Rs. 58,44,771.
b) Amount spent during the year on -

	In Cash	Yet to be paid in Cash	Total
i) Construction / acquisition of any asset	-	-	-
ii) On purposes other than (i) above -Educational activities	4,00,000	-	4,00,000
	4,00,000		4,00,000

Being the first year of the implementation, the Company's focus was to identify the CSR projects in line with the CSR Policy of the Company. As such, during the year the Company could spend an amount of Rs. 400,000 on CSR activities. The balance amount of Rs. 54,44,771 is proposed to be spent during the next year along with the amount to be allocated for the financial year 2015-16.

38. Previous period numbers have been regrouped/ reclassified, wherever considered necessary.

For Walker Chandiok & Co LLP
(formerly Walker Chandiok & Co)
Chartered Accountants

For and on behalf of the Board of Directors of
Federal-Mogul TPR (India) Limited

per Neeraj Sharma
Partner
M. No. 502103

Sachin Selot
Director
DIN : 06700360

Vinod Kumar Hans
Director
DIN : 03328309

Anand Kumar Sahoo
Company Secretary

Place: Gurgaon
Date: May 22, 2015



FEDERAL-MOGUL TPR (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE PERIOD 1 JANUARY 2014 TO 31 MARCH 2015

Amount in Rs.

	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	35,34,43,671	28,62,60,266
Adjustments for:		
Depreciation and amortisation	4,04,05,125	2,91,27,098
Loss on sale / discard of fixed assets (net)	6,73,433	10,16,964
Bad debts	2,95,194	-
Interest Income	(4,77,58,942)	(2,69,77,386)
Interest expense	8,39,836	7,57,929
Excess provision written back	(2,22,905)	(17,05,545)
Unrealised forex (gain)/loss (net)	(2,75,042)	32,64,935
Operating profit before working capital changes	34,74,00,370	29,17,44,261
Movements in working capital :		
Increase in trade and other receivable	(126789873)	(3,21,12,494)
(Increase)/decrease in inventories	(33,01,162)	51,34,556
Increase in trade/other payables	3,64,88,719	18,52,729
Cash generated from operations	25,37,98,054	26,66,19,052
Direct taxes paid (net of refunds)	(9,97,97,938)	(10,20,36,479)
Net cash from operating activities	15,40,00,116	16,45,82,574
B. Cash flow from investing activities		
Purchase of fixed assets	(1,24,09,812)	(5,07,23,631)
Movement in restricted cash	(28,74,896)	(34,87,103)
Movement in fixed deposits	(390,85,118)	2,10,85,118
Interest received	4,75,70,139	2,88,93,120
Decrease in Inter-corporate deposit	(2,60,00,000)	(8,50,00,000)
Net cash used in investing activities	(3,27,99,687)	(8,92,32,496)
C. Cash flow from financing activities		
Interest paid	(8,39,836)	(7,57,929)
Dividends paid	(7,00,00,000)	(7,00,00,000)
Tax on dividend paid	(1,18,96,500)	(1,22,78,571)
Net cash used in financing activities	(8,27,36,336)	(8,30,36,500)
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	3,84,64,093	(76,86,422)
Cash and cash equivalents at the beginning of the period	3,19,67,769	3,96,54,192
Cash and cash equivalents at the end of the period	7,04,31,862	3,19,67,770
Components of cash and cash equivalents		
	As at 31 March, 2015	As at 31 December, 2013
Cash and cheques on hand	224	15,86,731
With banks - on current account	7,04,31,638	3,03,81,038
	7,04,31,862	3,19,67,769

This is the Cash Flow Statement referred to in our report of even date

For Walker Chandiook & Co LLP
(formerly Walker Chandiook & Co)
Chartered Accountants

For and on behalf of the Board of Directors of
Federal-Mogul TPR (India) Limited

per Neeraj Sharma
Partner
M. No. 502103

Sachin Selot
Director
DIN : 06700360

Vinod Kumar Hans
Director
DIN : 03328309

Anand Kumar Sahoo
Company Secretary

Place: Gurgaon
Date: May 22, 2015

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Federal-Mogul Goetze (India) Limited

1. We have audited the accompanying consolidated financial statements of **Federal-Mogul Goetze (India) Limited**, ("the Company") and its subsidiary (hereinafter collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at 31 March 2015, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the period 1 January 2014 to 31 March 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence

we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2015;
- ii) in the case of the consolidated Statement of Profit and Loss, of the profit for the period 1 January 2014 to 31 March 2015; and
- iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the period 1 January 2014 to 31 March 2015.

For Walker Chandiok & Co LLP

(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N/
N500013

per Neeraj Sharma

Partner

Membership No.: 502103

Place : Gurgaon

Date : 22 May 2015

Consolidated Balance sheet and profit and loss account

Balance Sheet as at 31 March, 2015

	Notes	As at 31 March, 2015 Rs (in lacs)	As at 31 December, 2013 Rs (in lacs)
Equity and Liabilities			
Shareholders' funds			
Share capital	3	5,563.21	5,563.21
Reserves and surplus	4	41,524.91	38,177.63
		47,088.12	43,740.84
Minority Interest		6,715.23	5,590.08
Non-current Liabilities			
Long-term borrowings	5	722.22	1,555.56
Deferred tax liabilities (net)	6	540.34	1,658.88
Other long term liabilities	7	396.94	278.39
Long-term provisions	8	6,103.68	6,216.14
		7,763.18	9,708.97
Current liabilities			
Short-term borrowings	9	18,143.31	15,838.57
Trade payables	10	20,954.80	16,888.72
Other current liabilities	11	2,246.05	2,612.10
Short-term provisions	8	891.95	609.37
		42,236.11	35,948.76
Total		103,802.64	94,988.65
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	48,618.10	49,604.51
Capital work-in-progress		5,728.45	3,330.05
Non-current investments	13	-	-
Long-term loans and advances	14	3,446.92	4,604.50
		57,793.47	57,539.06
Current assets			
Current investments	15	-	-
Inventories	16	20,544.96	15,565.78
Trade receivables	17	18,217.51	15,382.58
Cash and bank balances	18	2,576.34	1,387.67
Short-term loans and advances	19	4,138.12	4,713.22
Other Current Assets	20	532.22	400.34
		46,009.17	37,449.59
Total		103,802.64	94,988.65

Accompanying notes form an integral part of these consolidated financial statements

As per our attached report of even date

For Walker Chandiook & Co LLP
(formerly Walker Chandiook & Co)
Chartered Accountants

per Neeraj Sharma
Partner
M. No. 502103

Place: Gurgaon
Date: May 22, 2015

For and on behalf of the Board of Directors of
Federal-Mogul Goetze (India) Limited

Andreas Wilhelm Kolf
Whole Time Managing Director
DIN : 00519780

Dr. Khalid Iqbal Khan
Company Secretary

Sachin Selot
Whole Time Finance Director & CFO
DIN : 06700360

Consolidated Balance sheet and profit and loss account

Profit & Loss Account for the period 1 January 2014 to 31 March 2015

	Notes	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
INCOME			
Revenue from operations (gross)		171,785.88	127,158.11
Less: Excise duty		(13,799.17)	(11,358.18)
Revenue from operations (net)	21	157,986.71	115,799.93
Increase in inventories	22	3,442.92	2,089.82
Other income	23	1,877.47	701.89
Total revenue		163,307.10	118,591.64
EXPENDITURE			
Cost of raw material and components consumed	24	51,852.32	35,391.32
Purchase of traded goods	25	5,379.44	3,776.98
Employee benefits expenses	26	32,542.14	24,073.82
Other expenses	27	52,926.59	40,359.71
Depreciation	28	9,341.36	6,904.82
Finance cost	29	3,340.71	2,469.26
TOTAL EXPENSES (II)		155,382.56	112,975.91
Profit before taxation (I-II)		7,924.54	5,615.73
Provision of taxation :			
Current tax		3,766.95	1,813.54
Tax earlier years		200.00	-
Deferred tax (reversal)/ charge		(1,118.54)	182.09
Total tax expenses		2,848.41	1,995.63
Profit for the period		5,076.13	3,620.10
Profit before minority interest		5,076.13	3,620.10
Minority interest		1,125.15	903.69
Profit after minority interest		3,950.98	2,716.41
Earnings per share			
	30		
Basic and diluted			
[Nominal value of shares Rs. 10 (31 December 2013 : Rs. 10)]		9.12	6.51

Accompanying notes form an integral part of these consolidated financial statements.

As per our attached report of even date

For Walker Chandiok & Co LLP
(formerly Walker Chandiok & Co)
Chartered Accountants

per Neeraj Sharma
Partner
M. No. 502103

Place: Gurgaon
Date: May 22, 2015

For and on behalf of the Board of Directors of
Federal-Mogul Goetze (India) Limited

Andreas Wilhelm Kolf
Whole Time Managing Director
DIN : 00519780

Dr. Khalid Iqbal Khan
Company Secretary

Sachin Selot
Whole Time Finance Director & CFO
DIN : 06700360

Notes to consolidated financial statements for the period ended 31 March 2015

1. a) Corporate Information

Federal-Mogul Goetze (India) Limited ('FMGIL' or 'the Company'), is inter-alia engaged in the manufacture, supply and distribution of 'automotive components' used in two/three/four wheeler automobiles.

The principal facilities of the Company are located at Patiala (Punjab), Bangaluru (Karnataka) and Bhiwadi (Rajasthan), with its registered office in Delhi. The Company is listed at National Stock Exchange of India Limited and Bombay Stock Exchange.

Federal Mogul Holdings Limited, Mauritius, is the immediate parent company and ultimate parent company is Federal Mogul Corporation, USA.

b) Basis of Preparation and Consolidation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Company (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) " Consolidated Financial Statements" and Accounting Standard 23 (AS 23) " Accounting for investments in Associates in Consolidated Financial Statements".

Pursuant to the requirement of Companies Act 2013, the Company has changed the financial year from January to December every year to April to March every year. Accordingly, the current financial year for a period of fifteen months commencing from January 1, 2014 and ending on March 31, 2015.

The Subsidiary and Associates (which along with Federal-Mogul Goetze (India) Limited, the parent, constitutes the Federal-Mogul Goetze Group) considered in the preparation of these consolidated financial statements are:

Name	Percentage of Ownership interest as at 31 March 2015	Percentage of Ownership interest as at 31 December 2013
Federal-Mogul TPR (India) Limited	51%	51 %

The audited financial statements of the subsidiary, considered in the consolidated accounts, are drawn upto 31 March 2015.

Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship comes into existence.

The difference between the cost to the Company of its investment in the subsidiary and its proportionate share in the equity of the subsidiary as at the date of acquisition of stake is recognized as goodwill or capital reserve, as the case may be. Goodwill is tested for impairment at the end of each accounting year. For impairment, the carrying value of goodwill is compared with the present value of discounted cash flows of the respective subsidiaries and loss, if any, is adjusted to the carrying value of the goodwill.

Minority interest in net profits/losses of the subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same are accounted for the holding company.

Investments in associates are accounted for using the equity method. The difference between the cost of investment in associate and the proportionate share in equity of the associate as at the date of acquisition of stake is identified as goodwill or the capital reserve, as the case may be and included in the carrying value of the investment in the associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such associates are not accounted for unless the accumulated losses (not accounted for by the Company) are recouped.

The financial statements of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e. period ended 31 March 2015.

These Consolidated Financial Statements are based on audited accounts in so far as they relate to amounts included in respect of subsidiaries.

The accounting policies have been consistently applied by the group and are consistent with those used in the previous year.

2. Statement of Significant Accounting Policies

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Tangible fixed assets and Capital work-in-progress

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use i.e. freight, duties, taxes and other incidental expenses excluding cenvat in so far as this is available for set off against excise duty. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

c) Depreciation on tangible fixed assets

Depreciation is provided using straight line method and the same is determined based on management's assessment of assets lives and is calculated at the rates so determined, which are either equal to or higher than rates provided for such assets under Schedule XIV of the Companies Act, 1956.

Asset Class	Rate prescribed in Schedule XIV of Companies Act, 1956	Rates used by the company
(i) Land-Leasehold	-	over the life of lease of asset
(ii) Buildings - Factory	3.34%	3.34%
- Other	1.63%	1.63%
(iii) Furniture, fittings & office equipment	4.75% to 6.33%	4.75% to 6.33%
(iv) Plant & Machinery - Single Shift	4.75%	4.75%
- Double Shift	7.42%	7.42%
- Triple Shift	10.34%	10.34%
- Continuous process plant	5.28%	5.28%
(v) Vehicles - Employee	9.50%	33.33%
- Material Handling Vehicles	9.50%	11.31%
- Others	9.50%	9.50%
(vi) Computers	16.21%	16.21%
(vii) Dies and Moulds	11.31%	11.31% to 33.33%

- i) Plant and Machinery also includes self constructed machinery.
- ii) Depreciation on the amount of adjustment to fixed assets on account of capitalisation of insurance spares is provided over the remaining useful life of related assets.
- iii) All assets costing upto Rs 5,000 are fully depreciated in the year of purchase

d) Impairment of tangible and intangible assets

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

e) Intangible Assets

Intangible assets are stated at cost less amortization less impairment, if any. Cost comprises the purchase price and other directly attributable costs. Intangibles assets are amortised over their expected useful economic lives, on straight line basis, as follows:

Design and drawings- over a period of 5 years on straight line basis.

f) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

g) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

h) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares and bought out tools.	Lower of cost and net realizable value. Cost represents purchase price and other direct costs and is determined on a moving weighted average cost basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
Constructed Tools	Lower of cost and net realizable value. Cost represents material, labour and appropriate allocation of overheads. Cost is determined on a weighted average basis.
Work-in-progress	Lower of cost and net realizable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Cost is determined on a weighted average basis
Finished Goods: - Manufactured	Lower of cost and net realizable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Excise duty on stock lying with Company is added to the cost of the finished goods inventory. Cost is determined on a weighted average basis
- Traded	Lower of cost and net realizable value. Cost represents purchase price and other direct costs and is determined on a moving weighted average cost basis.
Reusable scrap	At lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Provision for obsolescence is determined based on management's assessment and is charged to Statement of Profit and Loss.

i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i) Sale of Goods:

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and are recorded net of excise duty, sales tax and trade discount.

ii) Job Work:

Income from job work is accrued when right of revenue is established, which relates to effort completed.

iii) Interest:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv) Dividends:

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognized even if the same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Companies Act, 1956.

v) Commission:

Commission income is accrued when due, as per the agreed terms.

vi) Export Benefits/Incentives:

Export entitlements under the Duty Entitlement Pass Book (DEPB) Scheme/ Duty Drawback scheme are recognized in the Statement of Profit and Loss when the right to receive credit as per the terms of the scheme is established in respect of exports made.

vii) Management support charges:

Income from management support charges is recognized as per the terms of the agreement based upon the services completed.

j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

k) Foreign Currency Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(iv) As a policy, the Company does not undertake any foreign exchange derivative contract.

l) Retirement and Other Employee Benefits

- (i) Provident fund contributions are charged to Statement of Profit and Loss, when contributions paid/payable are due to "Goetze India Limited Provident Fund Trust", administered by the trustees and to the Regional Provident Fund Commissioners. The Company accrues for the deficit in the Provident Fund trust as per the books of accounts of the Trust.
- (ii) Gratuity liability under the Payment of Gratuity Act is accrued on the basis of an actuarial valuation made at the end of each financial year. The actuarial valuation is done as per projected unit credit method.
- (iii) Short term compensated absences are provided for based on estimates. Long term compensation liability for leave encashment is determined in accordance with company policy and is measured on the basis of valuation by an independent actuary at the end of the financial year. The actuarial valuation is done as per projected unit credit method.
- (iv) Actuarial gains/losses are immediately taken to Statement of Profit and Loss. However, recognition for actuarial gain is done only to the extent that the net cumulative unrecognized actuarial gains exceed the unrecognized part of transitional liability.
- (v) **Superannuation Benefit**
The Company has superannuation obligation administered with Life Insurance Corporation of India (LIC). Contributions to the defined contribution scheme are charged to Statement of Profit and Loss when contributions paid/ payable are due to such fund. There are no other obligations other than the contribution payable to the respective trusts.

m) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period

n) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are usually not provided for, unless it is probable that the future outcome may be materially detrimental to the Company. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefits is remote.

Contingent assets are not recognized in the financial statements.

p) Cash and Cash Equivalents

Cash and cash equivalents for cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

q) Miscellaneous Expenditure

Miscellaneous expenditure representing impact of transitional provisions on adoption of notified Accounting Standard 15 and is written off over a period of 5 years.

r) Segment Reporting Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Balance sheet and profit and loss account
Notes to Accounts
3 : Share Capital

Rs (in lacs)

	As at 31 March 2015	As at 31 December 2013
Authorized shares		
80,000,000 (as at 31 December 2013: 80,000,000) equity shares of Rs. 10/- each.	8,000.00	8,000.00
	8,000.00	8,000.00
Issued, subscribed and fully paid-up shares		
55,632,130 (as at 31 December 2013: 55,632,130) equity shares of Rs.10/- each	5,563.21	5,563.21
	5,563.21	5,563.21

(a) There is no change in the shares outstanding at the beginning and at the end of the reporting date and immediately preceding reporting date.

(b) Right/preferences/restriction attached to equity shares.

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) List of shareholders holding more than 5% of the equity share capital of the Company at the beginning and at the end of the reporting period

Name of the shareholder*	As at 31 March 2015		As at 31 December 2013	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Federal Mogul Holding Limited, Mauritius, the Parent company	3,34,08,581	60.05%	3,34,08,581	60.05%
Federal Mogul Vermögensverwaltungs GMBH, a Fellow subsidiary company	83,06,873	14.93%	83,06,873	14.93%
Reliance Capital Trustee Company Limited	54,79,189	9.85%	-	-

*The above information is furnished as per the shareholder register at the period end.

(d) Shares held by Holding/ ultimate Holding Company

Name of the shareholder	As at 31 March 2015		At at 31 December 2013	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Federal Mogul Holding Limited, Mauritius, the Parent company	3,34,08,581	60.05%	3,34,08,581	60.05%
Federal Mogul Vermögensverwaltungs GMBH, a Fellow subsidiary company	83,06,873	14.93%	83,06,873	14.93%

(e) The Company has not issued any equity shares pursuant to any contract without payment being received in cash allotted as fully paid up by way of bonus issues and bought back during the current reporting period and immediately preceding four years.

4 : Reserves and Surplus

	As at 31 March 2015	As at 31 December, 2013
Capital redemption reserve	2,000.00	2,000.00
Capital reserve	56.55	56.55
Capital subsidy	1.12	1.12
General reserve	909.00	687.00
Add: Transferred from surplus balance in the statement of profit and Loss	235.00	222.00
Closing balance	1,144.00	909.00

Rs. in Lacs

	As at 31 March, 2015	As at 31 December, 2013		
Securities premium account	26,750.74	26,750.74		
Surplus in the statement of profit and loss				
Opening balance	8,460.22	6,070.77		
Add: profit for the period	3,950.98	2,716.41		
Add: Inter- company dividend		357.00		
Less: Appropriations				
Proposed final equity dividend (amount per share Rs. 8.75 (31 Dec 2013 of Rs.7))	428.75	343.00		
Tax on proposed equity dividend	174.95	118.96		
Transfer to general reserve	235.00	222.00		
Total appropriations	838.70	683.96		
Closing balance	11,572.50	8,460.00		
Total reserves and surplus	41,524.91	38,177.63		
5. Long-term borrowings				
Term loans				
Indian rupee loan from banks (secured)	722.22	1,555.56		
	722.22	1,555.56		
<p>Note (a): Indian rupee loans amounting to Rs. 2,000 lacs from Yes Bank in two tranches of Rs 1,000 lacs each taken on 31 May 2013 and 28 June 2013 respectively, carries interest @ 12.20% p.a. Both tranches are repayable in 36 equal monthly installments of Rs. 27.77 lacs each along with interest, after a moratorium period of 12 months from the date of disbursement of loan i.e. 31 May 2014 and 28 June 2014 respectively. The loan is secured by first parri passu charge on moveable assets of the Company including plant and machinery, spares, tools and accessories, furniture and fixtures and other moveable assets of the Company, excluding vehicles.</p> <p>*Current maturities of long term borrowings amounting to Rs. 666.67 lacs (Previous year: Rs. 444.44 lacs) are included under the head 'Other current liabilities (refer note 11).</p>				
6. Deferred tax liabilities (net)				
Deferred tax liabilities				
Impact of difference between tax depreciation and depreciation charged for the financial reporting	3,804.02	4,227.77		
Gross deferred tax liabilities	3,804.02	4,227.77		
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis				
Provision for gratuity	1,376.64	1,511.42		
Royalty expenses	632.03	183.44		
Provision for doubtful debts	52.50	28.91		
Others	1,202.51	845.12		
Gross deferred tax assets	3,263.68	2,568.89		
Deferred tax liabilities (net)	540.34	1,658.88		
7. Other long-term liabilities				
Security deposits received *	396.94	278.39		
	396.94	278.39		
*Deposits from vendors/ customers are considered as long term in view of long term business relationships.				
8. Provisions	Long term	Short Term		
	31 March, 2015	31 December, 2013	31 March, 2015	31 December, 2013
Provision for employee benefits				
Provision for gratuity (refer Note no. 36)	4,032.72	4,340.20	3.12	2.71
Provision for leave encashment	793.67	662.63	137.43	99.62
Provision for bonus	-	-	60.54	45.07
	4,826.39	5,002.83	201.09	147.40
Other provisions				
Proposed dividend	-	-	428.75	343.00
Tax on proposed dividend	-	-	174.95	118.97
Provision for taxation (net of advance tax)	-	-	87.16	-
Provision for regulatory matters (refer note - a below)	1,277.29	1,213.31	-	-
	1,277.29	1,213.31	690.86	461.97
	6,103.68	6,216.14	891.95	609.37

Rs. in Lacs

As at 31 March 2015

As at 31 December, 2013

Note (a)

Provision for regulatory matters

Opening balance	1,213.31	1,099.06
Provision made during the period	1,204.99	994.53
Utilised during the period	(1,141.01)	(880.28)
Closing Balance	1,277.29	1,213.31

9. Short-term borrowings

Secured

Short term loans (refer note (a))	7,600.00	5,500.00
Cash credit facilities from banks (refer note (a))	2,719.39	2,633.63
	10,319.39	8,133.63

Deposits (Unsecured)

Inter-corporate deposit repayable on demand (refer note (b))	5,705.00	6,805.00
Working capital loan (refer note (c))	2,118.91	838.94
	-	61.00
	7,823.92	7,704.94

Total	18,143.31	15,838.57
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Note (a) :

- i. Indian rupees working capital loans and cash credit facilities are secured against hypothecation of current assets of the Company, both present and future with HDFC, Yes Bank, ING Vysya Bank, State Bank of India and Deutsche Bank. Cash credit facilities carries interest rate range of 10.00 % to 12.50% p.a.
- ii. Details of working capital loans

Name of the bank	Amount of loan	Date of repayment	Interest rate
ING Vysya	3,800.00	1 April 2015	10.90%
State Bank of India	1,200.00	27 April 2015	11.25%
HDFC	1,100.00	9 May 2015	10.40%
HDFC	1,000.00	1 May 2015	10.50%
HDFC	500.00	21 April 2015	10.50%
	7,600.00		

Note (b) : Inter-corporate deposits are repayable on demand and carry rate of interest ranging between 9.35 % to 10.50 % p.a

Note (c) : Indian rupees working capital loan and cash credit facilities taken from Bank of America is at interest rate of 10.50% p.a. , which is repayable within 30 days from the date of loan.

10. Trade payables

Due to micro, medium and small enterprises (refer Note no. 38 for details of dues to micro, medium and small enterprises)	216.22	140.26
Due to others (including acceptances)	20,738.58	16,748.46
	20,954.80	16,888.72

11. Other current liabilities

Current maturities of long-term borrowings (refer note no.5)	666.67	444.44
Interest accrued and due on term loans	14.95	20.72
Interest accrued and due on Inter corporate deposits	45.79	60.18
Interest accrued but not due on loans	132.00	88.60
Advance from customers	4.49	6.27
Trade/ security deposits received	-	47.21
Other payables		
Statutory liabilities	1,278.85	1,858.70
Other liabilities	103.30	85.98
	2,246.05	2,612.10

Rs. in Lacs

As at 31 March, 2015

As at 31 December, 2013

12. Tangible Assets

Particulars	Freehold Land	Leasehold Land	Building	Furniture & Fittings and Office Equipment	Plant and Machinery	Vehicles	Total Tangible Assets
Cost							
At 1 January 2013	1,485.18	362.85	8,744.98	1,448.26	81,685.86	372.38	94,099.51
Additions	-	-	953.96	95.38	8,307.08	13.47	9,369.89
Disposals	-	-	21.92	25.22	1,193.57	107.59	1,348.30
At 31 December 2013	1,485.18	362.85	9,677.02	1,518.42	88,799.37	278.26	102,121.10
At 1 January 2014	1,485.18	362.85	9,677.02	1,518.42	88,799.37	278.26	102,121.10
Additions	-	-	257.62	225.59	8,192.58	53.97	8,729.76
Disposals	-	-	62.42	116.65	1,767.35	17.56	1,963.98
At 31 March 2015	1,485.18	362.85	9,872.22	1,627.36	95,224.60	314.67	108,886.88
Depreciation							
At 1 January 2013	-	27.85	3,285.82	793.70	42,347.54	267.18	46,722.09
Charge for the year	-	-	306.42	70.86	6,487.20	24.75	6,889.23
Disposals	-	-	10.51	15.19	968.34	100.69	1,094.72
At 31 December 2013	-	27.85	3,581.74	849.36	47,866.41	191.24	52,516.60
At 1 January 2014	-	27.85	3,581.74	849.36	47,866.41	191.24	52,516.60
Charge for the year	-	-	410.48	100.24	8,788.52	42.12	9,341.36
Disposals	-	27.85	27.08	50.51	1,479.25	4.49	1,589.18
At 31 March 2015	-	-	3,965.14	899.09	55,175.68	228.87	60,268.78
Net Block							
At 31 December 2013	1,485.18	335.00	6,095.29	669.05	40,932.96	87.03	49,604.51
At 31 March 2015	1,485.18	362.85	5,907.08	728.27	40,048.92	85.80	48,618.10

12.1. Intangible assets

Particulars	Designs & Drawings and Patents & Trademarks	Total Intangible Assets
Cost		
At 1 January 2013	712.11	712.11
Additions	-	-
Disposals	-	-
At 31 December 2013	712.11	712.11
At 1 January 2014	712.11	712.11
Additions	-	-
Disposals	-	-
At 31 March 2015	712.11	712.11
Depreciation		
At 1 January 2013	696.52	696.52
Charge for the year	15.59	15.59
Disposals	-	-
At 31 December 2013	712.11	712.11
At 1 January 2014	712.11	712.11
Charge for the year	-	-
Disposals	-	-
At 31 March 2015	712.11	712.11
Net Block		
At 31 December 2013	-	-
At 31 March 2015	-	-

Rs. in Lacs

As at 31 March, 2015

As at 31 December, 2013

13. Non-current investments

Trade investments unquoted (valued at cost unless stated otherwise)

(i) Government securities

National savings certificates

1.32

1.32

Less: Provision for diminution in value of investment

(1.32)

(1.32)

-

-

(ii) Equity shares (Unquoted)

923,000 (31 December 2013 923,000) equity shares of Rs 5 each fully paid in GTZ Securities Limited

46.15

46.15

Less: Provision for diminution in value of investment

(46.15)

(46.15)

-

-

(iii) Preference shares

1,00,000 (31 December 2013 100,000) 6% redeemable cumulative preference shares in Nanz Food Products Limited of Rs. 10/-each

10.00

10.00

Less: Provision for diminution in value of investment

(10.00)

(10.00)

-

-

Aggregate amount of unquoted investment

-

-

14. Long-term loans and advances

Minimum alternate tax credit entitlement

-

1,320.60

Capital advances (unsecured, considered good)

1,116.49

557.51

Prepaid expenses

23.08

22.59

Advance tax (net of provisions)

1,145.85

1,616.71

Security deposits (unsecured, considered good)

1,161.50

1,087.09

Security deposits (unsecured, considered doubtful)

850.00

Less: Provision for doubtful security deposits

(850.00)

-

-

3,446.92

4,604.50

15. Current investments (At lower of cost and fair value, unless stated otherwise)

Unquoted equity shares

3,889,600 (As at 31 december 2013, 3,889,600) equity shares of Rs 5 each, fully paid in GI Power Corporation Limited

194.48

194.48

Less: Provision for diminution in the value of investment

(194.48)

(194.48)

-

-

Preference shares

Nil (As at 31 december 2013, 17,528,800) 8% cumulative convertible redeemable preference shares of Rs 5 each, fully paid in GI Power Corporation Limited

-

876.44

Less: Provision for diminution in the value of investment

-

(876.44)

-

-

Aggregate amount of unquoted investment

-

-

16. Inventories (Valued at lower of cost and net realizable value)

Raw materials and components

3,189.88

2,229.86

(including stock in transit Rs. 256.53 lacs (As at 31 december 2013, Rs. 247.48.lacs)).

Work-in-progress

6,343.82

4,664.92

Finished goods (including stock in transit Rs. 2.60 lacs (As at 31 december 2013, Rs. 89.92 lacs)).

8,584.53

6,947.77

Traded goods

1,013.55

886.38

ANNUAL REPORT 2015

	As at 31 March, 2015	As at 31 December, 2013
	Rs. in Lacs	
Stores and spares (including stock in transit Nil (As at 31 december 2013, Rs. 4.53 lacs))	1,413.18	836.91
Total	20,544.96	15,565.78
17. Trade Receivables		
Debts outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	-	-
Doubtful	39.95	36.89
	39.95	36.89
Less: Provision for doubtful debts	(39.95)	(36.89)
	-	-
Debts outstanding for a period less than six months from the date they are due for payment		
Secured considered good	396.94	278.38
Unsecured, considered good	17,820.57	15,104.20
Unsecured, considered doubtful	114.49	53.34
	18,332.00	15,435.92
Less: Provision for doubtful debts	(114.49)	(53.34)
	18,217.51	15,382.58
	18,217.51	15,382.58
18. CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	0.01	25.19
Balances with bank held as margin money with original maturity less than 3 months (Pledged with government authorities)	-	15.09
Current accounts	1,284.54	459.64
	1,284.55	499.92
Other Bank Balances		
Balances with bank held as margin money		
With original maturity more than 3 months but less than 12 months (Pledged with government authorities)	691.79	678.36
With original maturity more than 3 months but less than 12 months	600.00	209.39
	2,576.34	1,387.67
19. Short-term loans and advances		
Advances recoverable in cash or kind		
Unsecured considered good	1,381.05	1,035.74
Unsecured, considered doubtful	297.40	171.21
Less: Provision for doubtful advances	(297.40)	(171.21)
	1,381.05	1,035.74
Security deposit		
Unsecured, considered good	19.30	19.30
Other loans and advances		
Balance with statutory/government authorities	2,253.84	2,984.89
Prepaid expenses	483.95	673.29
	2,737.79	3,658.18
	4,138.14	4,713.22

Rs. in Lacs

As at 31 March, 2015

As at 31 December, 2013

20. Other current assets

Unsecured considered good unless stated otherwise

Earnest money deposit	9.53	3.69
Fixed assets held for disposal (at lower of net book value and estimated net realisable value)	53.52	55.64
Interest accrued on fixed deposits	98.56	33.20
Exports benefits receivable	370.61	302.22
Insurance claim receivable	-	5.59
	532.22	400.34

**For the period
1st January 2014
to 31 March 2015**

For the period
1st January 2013
to 31 December 2013

21. Revenue from operations (Net)

Revenue from operations

Sale of products		
Finished goods	161,432.84	119,759.95
Traded goods	6,954.14	4,743.23
Other operating revenue		
Export incentives	477.84	440.06
Scrap sales	2,921.06	2,214.86
Revenue from operations (gross)	171,785.88	127,158.10
Less: Excise duty	(13,799.17)	(11,358.18)
Revenue from operations (net)	157,986.71	115,799.92

Details of manufactured goods sold

Piston rings	44,488.47	36,259.69
Pistons	95,158.21	69,734.58
Pins	3,746.31	2,195.63
Valve tarin	10,435.92	7,005.80
Structural components	743.00	731.89
Steel rings	6,860.93	3,832.12
Miscellaneous	-	0.24
Total	161,432.84	119,759.95

Details of traded goods sold

Brake fluids	20.42	-
Brake pads	97.80	53.26
Heavy duty	622.91	322.10
Cylinder block (CB)	0.86	-
Engine bearings	1,056.90	858.32
Coolant	385.02	199.95
Spark plugs	2,789.39	2,183.22
Liners	850.58	581.41
Engine valves	134.27	96.35
Wipers	83.18	47.51
Commercial vehicle (CV) lining	912.70	401.11
Others	0.11	-
Total	6,954.14	4,743.23

Rs. in Lacs

	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
22. Increase in inventories		
Opening stock		
Work-in-progress	4,664.92	4,425.69
Finished products	6,947.77	5,363.09
Trading goods	886.29	620.38
	12,498.98	10,409.16
Less: Closing stock		
Work-in-progress	6,343.82	4,664.92
Finished products	8,584.53	6,947.77
Trading goods	1,013.55	886.29
	15,941.90	12,498.98
Increase in inventory	(3,442.92)	(2,089.82)
23. Other income		
Interest income on		
Bank deposits	151.07	69.47
Others	91.58	67.80
Foreign exchange rate difference (net)	2.75	-
Excess provisions written back	1,188.74	286.13
Miscellaneous Income	443.33	278.49
	1,877.47	701.89
24. Cost of raw material and components consumed		
Pig iron	1,541.63	1,262.45
Alloys	1,265.64	793.23
Chromic acid	413.06	299.12
Aluminium	18,707.74	11,023.95
Steel strips	348.20	285.75
Pin steel	3,620.94	2,550.40
Silicon	2,323.81	1,693.56
Magnesium	294.36	205.04
Nickel	1,605.69	1,633.74
Iron powder	2,974.15	2,029.31
Steel powder	104.34	24.62
Copper powder	617.49	477.56
Distalloys	1,928.49	-
Bought out rings	4,691.01	2,192.39
Steel wire	1,481.56	1,166.73
Others	9,934.21	9,753.47
	51,852.32	35,391.32
25. Purchase of trading goods		
Brake pads	75.36	39.34
Heavy duty	481.87	191.93
Cylinder block (CB)	-	2.06
Engine bearings	817.79	707.36
Coolant	297.34	140.46
Spark plugs	2,158.70	1,762.39
Liners	658.05	454.15
Engine valves	103.68	44.37
Wipers	64.17	15.19
Commercial vehicle(CV) lining	705.96	419.01
Others	16.52	0.72
	5,379.44	3,776.98

Rs. in Lacs

	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
26. Employee benefit expenses		
Salaries, wages and bonus	26,960.92	19,742.86
Contribution to provident and other funds	1,737.67	1,308.95
Contribution to superannuation fund (refer note 37)	188.22	140.65
Gratuity expense (refer note no. 36)	598.32	594.05
Staff welfare expenses	3,057.01	2,287.31
	32,542.14	24,073.82
27. Other expenses		
Consumption of stores and spares	15,127.80	13,223.57
Sub-contracting expenses	2,905.66	2,179.43
(Decrease)/ increase in excise duty on inventory	(13.24)	175.69
Power and fuel	10,117.94	7,610.72
Freight and forwarding charges	3,259.33	2,613.90
Rent (refer note 34)	504.75	374.03
Rates and taxes	1,595.91	1,336.93
Insurance	179.87	156.19
Repairs and maintenance		
Plant and machinery	647.53	390.29
Buildings	428.74	240.12
Others	739.89	489.16
Advertising and sales promotion	7,212.71	5,098.35
Management support charges	774.68	631.51
Royalty	2,355.91	1,452.51
Warranties expense (net of reversals)	112.63	83.83
Travelling and conveyance	1,060.73	698.40
Communication costs	223.20	168.68
Corporate social responsibility expenses (refer note 45)	67.30	-
Printing and stationery	134.81	93.69
Legal and professional fees	842.39	674.05
Cash discounts (net)	163.62	105.69
Payment to auditor (Refer details below)	62.99	65.59
Exchange differences (net)	503.34	311.30
Bad debts / advances written off	163.25	155.26
Provision for doubtful debts and advances	1,031.27	2.70
Loss on sale of fixed assets (net)	122.13	206.55
Environmental maintenance and remediation	1,288.72	816.38
Miscellaneous expenses	1,312.73	1,005.19
	52,926.59	40,359.71
Payment to auditor as:		
-Statutory audit fee	30.36	27.13
-Limited reviews	18.00	13.50
-Tax audit fee	2.25	11.00
-Others	-	1.00
-Reimbursement of expenses	12.38	12.96
	62.99	65.59
28. Depreciation		
Depreciation of tangible assets	9,341.36	6,889.23
Amortisation of intangible assets	-	15.59
	9,341.36	6,904.82

Rs. in Lacs

	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
29. Finance cost		
Interest		
- banks	1,656.42	1,122.14
- others	1,451.55	1,212.66
Bank charges	232.74	134.46
	3,340.71	2,469.26

29. Earnings per share

The following reflects the profit and share data used in the basic and diluted EPS computations

Net profit after tax as per statement of profit and loss (Rs.)	5,076.13	3,620.10
Weighted average number of equity shares in calculating basic and diluted EPS	55,632,130	55,632,130
Nominal value of shares (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	9.12	6.51

30. Segment Information

Based on the guiding principles given in Accounting Standard-17 'Segmental Reporting' the Group's primary business segment is manufacturing of auto components. Considering the nature of Group's business and operations, there are no separate reportable business segment, as there is only one business segment and hence, there are no additional disclosures required to be provided other than those already provided in the financial statements. The analysis of geographical segment is based on the geographical location of the customers. The following table shows the distribution of the Group's consolidated sales by geographical market, regardless of where the goods were produced.

Geographical segment

Net sales revenue (including trading sales but excluding excise duty) by geographical market

India	135,727.39	105,200.21
Other countries	18,860.42	7,944.79
	154,587.81	113,145.00

Carrying amount of segment debtors by geographical market (Net of provision, if any)

India	14,310.50	14,054.42
Other countries	3,907.01	1,328.15
	18,217.51	15,382.57

The Company has common assets for producing goods for India and outside countries. Hence, separate figures for assets/ additions to fixed assets cannot be furnished.

31. Capital and other commitments (net of capital advances)

Total estimated amount of contracts, remaining to be executed on capital account and not provided for as at 31 March 2015 is Rs. 2,103.94 lacs (as at 31 December 2013 Rs.1,093.67 lacs).

32. Contingent liabilities

(a) Bank guarantees	596.25	554.54
(b) Claims/notices contested by the Company		
(i) Excise duty and service tax	4,051.40	687.20
(ii) Sales tax	2250.91	1,781.70
(iii) Employee related cases	286.05	242.99
(iv) Electricity demand	52.24	52.24
(v) Income tax demands	800.28	609.55
(vi) Excise duty and Service tax (Subsidiary:FM-TPR)	2,486.35	1,398.33
(vii) Sales tax (subsidiary:FM-TPR)	-	455.59
(viii) Income tax demands (subsidiary:FM-TPR)	16.58	9.35

- 1) In relation to b (i) above, excise duty cases contested by the Company comprise of:
- i) Matters are pending at Joint Commissioner, Central Excise, Bangalore where four show cause notice were received for the period 2000 to 2004 for the excise duty demand of Rs.76.42 lacs on the differential discount which was given to stockist. Matter is pending with Joint Commissioner, Central Excise, Bangalore. (Previous Year Rs.33.73 lacs).
 - ii) Matters are pending with CESTAT, Bangalore wherein notice was received for the period of 2006-07 for disallowing the cenvat credit taken twice on the invoices for the excise demand of Rs.5.03 lacs. The case is pending for hearing. (Previous Year Rs. 5.03 lacs).
 - iii) Matter is pending with CESTAT, Delhi on the six show cause notices received for the period 2002 to 2006 for the excise duty demand of Rs. 189.48 lacs raised on the Turnover Discount for the period of 2002-06. The cases are pending with the CESTAT, Delhi for hearing. (Previous Year Nil).
 - iv) Matters are pending for two show cause notices received on the Patiala plant for the interest amount of Rs.14.02 lacs on the reversal of Special additional duty taken wrongly. Cases are related to 2000-2001 and pending with the CESTAT, Delhi for hearing. (Previous Year 14.02 lacs).
 - v) Matter is pending on the show cause notice received for the excise duty amounting Rs. 6.96 lacs on the classification issue related to the period of 1998-99. After filing of reply, there is no movement in the case and pending before Joint Commissioner, Excise (Previous Year Rs. 6.96 lacs).
 - vi) Matter is pending for a show cause notice received in 2002 for the excise duty of Rs. 3.32 lacs on scrap sale for the period 2001-02. After filing of reply, there is no movement in the case and it is pending with Joint Commissioner, Excise, Patiala (Previous Year 3.32 lacs).
 - vii) Matter is pending for a show cause notice on disallowance of excise credit of Rs.9.34 lacs on the ground that credit does not fall in the category of input category. The case is related to the period 1987 to 1990 and pending with Honourable High Court.
 - viii) Matter is pending with Joint Commissioner, Central Excise on five notices related to period of 1995-96, 1997-98,1998-99 and 2003-04 for the disallowance of Modvat Credit on the input raw material for amounting Rs.6.16 lacs (Previous Year Nil).
 - ix) Matter is pending before the Supreme Court in the valuation case where two notices were issued to Patiala plant where department alleged on the job work valuation and demanded excise duty of Rs.15.13 lacs.(Previous Year 15.13 lacs).
 - x) Matter is pending before the Commissioner, Excise, Jaipur for taking excess credit of excise duty of Rs.3.19 lakhs for the period 2010-11.(Previous Year Nil).
 - xi) Matter is pending before the Commissioner, Excise on issuance of show cause notice on the cenvat credit taken on LPG on the invoice addressed to Goetze India (technical errors) amounting to Rs. 0.97 lacs (Previous Year Nil).
- 1) In relation to b (i) above, Service tax cases contested by the Company comprise of :
- i) Matter is pending with CESTAT, Bangalore in respect of notice for the period FY 2006-2007 amounting to Rs. 86.44 lacs wherein disallowed the service tax credit taken on Input Service Distributor invoices received from Gurgaon. (Previous Year Rs 86.44 lacs).
 - ii) Nine matters are pending for the year 2009 to 2014 where company disallowed the service tax credit for Rs.2829 lacs for the common inputs used in the job work which are exempted activities as per the excise authorities.
 - iii) Matter is pending for a notice received for the period 2005-06 wherein service tax credit was disallowed for Rs.113.70 lacs on account of non-availability of service invoices. The case is pending before the CESTAT, Bangalore for the decision. (Previous Year Rs.113.70 lacs).
 - iv) Company received seven show cause notices at Patiala plant for the period 2005-11 for disallowance of service tax credit on various services for the service tax amounting Rs.96.11 lacs. The case is pending with Joint Commissioner, Service Tax (Previous Year Rs 96.11 lacs).
 - v) Matter is pending with the Commissioner (Appeals), Central Excise, Chandigarh for two show cause notices received for the period 2009-13 for demanding the service tax credit taken on the inward and outward freight amounting Rs.31.93 lacs (Previous Year Nil).
 - vi) Matter is pending in Bangalore unit for the period 2008-11 for the service tax not paid on written off material for Rs.5.81 lacs The case is pending before Commissioner, Service Tax. Company is confident of favourable decision in this case. (Previous Year Nil).
 - vii) Matters are pending for seven show cause notices for Patiala plant for the period 2006-07 for disallowance of service tax credit on mediclaim services for the service tax amounting Rs.19.18 lacs. The case is pending before CESTAT, Delhi. (Previous Year Nil).
 - viii) Matters are pending for seven show cause notices received for the period 2008 to 2012 for the disallowance of service tax credit amounting Rs.79.02 lacs on few certain services for Bhiwadi Plant for disallowance and demanding the service tax. Cases are pending with Joint Commissioner and Additional Commissioner, Service Tax, Jaipur for hearing. (Previous Year Rs. 79.02 lacs).
 - ix) Matter is pending on the show cause notice received for corporate office for the period 2008-11 for the service tax demand of Rs.134.18 lacs for disallowance of service tax credit on various services.(Previous Year Rs. 134.18 lacs).
 - x) Recently, company received a show cause notice on the few reverse charge services whose tax demand is Rs.671 lakhs for 2008 to 2013. Since Company covered these services in the amnesty scheme therefore Company is confident of favourable decision in this case. (Previous Year Nil).
 - xi) Service tax is pending for the service tax credit of Rs.10.71 lacs for disallowance of service tax credit for 2011-13 (Previous Year Nil).
 - xii) Recently, service tax show cause notice received on manpower recruitment services for Rs.4.54 lacs where service tax not paid on PF and ESI services in the year 2012-13 (Previous Year Nil).
 - xiii) Service tax show cause notice received for non-maintenance of service tax register for past period for the demand Rs.294 lacs for the period 2009-13. Reply is to be filed for defending the case before Commissioner. (Previous Year Nil).
- 2) In relation of b (ii) above, sales tax cases contested by the Company comprise of:
- i) Sale tax matter is pending for assessment year 1996-97 to 2001-02 where sale tax demand was raised on the classification issue/rates difference on product "Groove Insert Casting" for amounting Rs.97 lacs. Company has deposited Rs.215.87 lacs. Recently, adverse verdict received and tax demand is 97 lacs with interest which will be adjusted from the deposited amount. Company has provided Rs.97 lacs in the books. (Previous Year the total demand amount was Rs. 442.92 lacs).
 - ii) Matter is pending with Honb'ble High Court of Karnataka on sale tax demand notice for the period 2005-06 for the sale tax demand of Rs. 278.51 lacs for the sale tax rate difference charged on the Piston. Case is pending before the Honb'ble High court for the final decision. The Company so far has made an under protest payment of Rs.55 lacs in this matter (Previous Year 278.51 lacs).
 - iii) Matter is pending with Karnataka Sale Tax Tribunal for the penalty of Rs.1.36 lacs for not paying CST on the central sale on the C form liability. Company has deposited Rs.1.36 lacs in this case. The case is related to 2007-08 pending before the Karnataka Sale tax Tribunal for decision. (Previous Year Nil).
 - iv) Matters is pending with next DCCT, Audit Bangalore for FY 2014-15 on account C Forms pendency for Rs. 293 lacs. The company has filed an appeal before the Joint Commissioner. (Previous Year Nil).
 - v) Matter is pending with Joint Commissioner,Ghaziabad for the sale tax demand of Rs.82.78 lacs for the financial year 2007-08 on account of several issues like rate differences, disallowance of central sales, stock transfer and best judgement sales. Company has deposited Rs.47.54 lacs in this case and provided Rs.30 lacs in one of the tax issue (Previous Year Rs. 82.78 lacs).
 - vi) Matter is pending with Sale Tax authorities, Patna for the sale tax demand of Rs.25.66 lacs on account of non-availabilities of few documents and pending for hearing. (Previous Year Rs. 25.66 lacs).
 - vii) Four matters are pending at Kolkata sale tax authorities on various reason for the financial year 2001-02, 2004-05 and 2006 -07 for the sale tax demand of Rs.6.37 lacs on account of disallowance of sale returns, warranty material and stock transfer forms. (Previous Year Rs. 6.37 lacs).
 - viii) Tax demand notice received from Maharashtra Sale Tax Demand of Rs.30.19 lacs on non-submission of forms F and matter is pending with next appellate authorities. (Previous Year 30.19 lacs).

- ix) Matter is pending with Additional Commissioner, Delhi for the total sale tax demand of Rs. 613.92 lacs on the four notices issued on best judgement basis for various reasons including disallowance of stock transfer, Central sale and penalty on the above. One issue is related to sale of fixed assets where sale tax demand is Rs.1.75 crore out of total tax demand. Company made a provision of Rs. 172 lacs for this. The case is pending with hearing and related to financial year 2007-08. Company is confident of favourable order on the remaining tax demand as case was adjudged wrongly without giving opportunity.(Previous Year the total demand amount was Rs. 613.92 lacs).
- x) Matter is pending with Joint Commissioner, Sale / Commercial Tax, Ghaziabad for the sale tax demand on the disallowance of stock transfer of Rs.32.68 lacs for the financial year 2012-13 (Previous Year Rs. 32.11 lacs).
- xi) Matter is pending with Additional Commissioner, Delhi for the financial year 2008-09 for the sale tax demand of Rs. 73.44 lacs which is demanded on the basis of best judgement (Previous Year 73.44 lacs).
- xii) Three matters are pending with next appellate authorities (Bhiwadi) for FY 2008-09, 2009-10 and 2012-13 on account C Forms pendency. Amount involved Rs. 306.00 lacs.(Previous Year Nil).
- xiii) Entry tax not paid on imported machinery in the Bangaluru as similar case is pending before the Supreme Court on the decision that entry tax is unconstitutional and should not be levied. After 2011, Company started paying entry tax and capitalising the amount of entry tax. Amount Involved is Rs 410 lacs.
- 3) In relation of b (iii) above, employee related cases comprise of:
Claims against the Company not acknowledged as debt, in respect of demands raised by the workers. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. Amount involved is Rs. 286.05 lacs. (Previous Year Rs. 242.99 lacs).
- 4) In relation to b (iv) above, electricity demand comprise of:
In respect of a demand raised by Punjab State Electricity Board (PSEB) for various years in relation to availment of additional load. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. Amount involved is Rs. 52.24 lacs (Previous Year Rs. 52.24 lacs).
- 5) In relation to b (v) above, income tax cases disputed by the Company comprise of:
- i) In respect of Assessment Year 1998-99, certain additions were made on normal as well as on book profits. The matter is pending with Honourable High court. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs 86.69 lacs (Previous Year Rs 86.69 lacs).
 - ii) In respect of Assessment Year 2002-03, certain additions were made on normal income as well as on book profits. The matter is pending with Assessing Officer for appeal effect. The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. The amount for contingent liability for the year is Rs. 68.45 lacs. (Previous Year Rs. 23.13 lacs).
 - iii) In respect of Assessment Year 2003-04, disallowance was made for carry forward losses as well as certain disallowances. The matter is subject to two different appeals. One is pending with the Assessing Officer and other with the Commissioner of Income Tax(Appeals). The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. The amount involved is Rs.158.01 lacs. (Previous Year Rs. 158.01 lacs).
 - iv) In respect of Assessment Year 2006-07, certain additions were made on normal as well as on book profit. The matter is pending with AO. The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. The amount for contingent liability for the year is Rs. 39.52 lacs (Previous Year Rs. 39.52 lacs).
 - v) In respect of Assessment Year 2006-07, under Wealth tax assessment, debts relating to certain taxable assets were disallowed. The matter is pending with Income Tax Appellate Tribunal. The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 3.90 lacs (Previous Year Rs 3.90 lacs).
 - vi) In respect of Assessment Year 2008-09, certain additions were made on normal profits. The matter is pending with Income Tax Appellate Tribunal. The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 72.68 lacs. (Previous Year Rs 72.68 lacs).
 - vii) In respect of Assessment Year 2009-10, certain additions were made on normal profits. The matter is pending with Commissioner Income Tax (Appeals). The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 163.61 lacs. (Previous Year Rs 163.61 lacs).
 - viii) In respect of period starting 01.04.2007 to 31.03.2015, Company has received TDS default notices on account of short deduction/ short payment of tax deduction at Source. The Company believes that defaults should have arisen due to some technical and clerical errors and could be corrected by filing of revised return/correction statements. The amount involved is Rs.19.06 lacs. (Previous Year Rs 27.71 lacs).
 - ix) In respect of Assessment Year 1999-00, certain additions were made on normal as well as on book profit. The matter is pending with Honourable Supreme Court. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. The amount for contingent liability for the year is Rs. 83.26 lacs (Previous Year Rs. Nil).
 - x) In respect of Assessment Year 2010-11, certain additions were made on normal profits. The matter is pending with Commissioner Income Tax (Appeals). The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 87.26 lacs. (Previous Year Rs Nil).
 - xi) In respect of Assessment Year 2011-12, certain additions were made on normal profits in the draft order. The matter is pending filing objection before DRP. The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 17.85 lacs. (Previous Year Rs Nil).
- 6) In relation to b (vi) above, excise cases disputed by the Subsidiary Company ('FM-TPR') comprise of:
- i) Matter pending with Commissioner of Central Excise :
 - a) In relation to deduction of trade discounts for the period 2000-2002 to 2003-2004. The amount involved is Rs. 2.42 lacs (Previous Year Rs. 2.42 lacs)
 - b) Company has received demand notice for the period 2007-08, which is on account of demand for service tax on supplementary bills on job work charges for price reduction passed on by one of the suppliers. The amount involved including interest and penalties is Rs.29.84 lacs (As at 31 December 2013 Rs. Nil).
 - c) In respect of irregular availment of cenvat credit on certain products obtained on job work basis for the period 2010 - 2013. The amount involved including interest and penalties is Rs.807 lacs (Previous Year Rs. Nil). On this issue, seven cases are pending before CESTAT.
 - d) In respect of notice received for the period Aug 2013-Jan2014 on account of Cenvat credit taken of service tax on job work charges. The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. A stay was also granted to the Company in the month of February 2012 in this matter. The amount involved is Rs.199.02 lacs (Previous Year Rs.Nil).
 - e) On the issue of denial of service tax credit on job work, tax authorities has filed an appeal before the High Court against the Order of CESTAT. The tax demand was Rs.611.96 lacs in this case (Previous Year Rs. Nil)
 - f) Company has received demand notice for the period 2010-14, which is on account of demand for service tax credit on sole selling expenses made by the Company. The amount involved including interest and penalties is Rs. 255.52 lacs (Previous Year Nil).
 - g) Company has received two demand notice for the period 2008-10, which is on account of demand for service tax credit on sole selling expenses made by the Company. The amount involved including interest and penalties is Rs.191.65 lacs(Previous Year Rs.135.15 lacs).
 - h) In respect of availment of service tax credit in relation to management consultancy service for the period 2006-09. The amount involved is Rs.98.12 lacs (Previous Year Rs.98.12 lacs).

- i) In respect of availment of cenvat credit (service tax) in relation to cross charges for the period 2010 to 2014. The amount involved is Rs.276.70 lacs (Previous Year Rs.Nil).
 - j) Company has received demand notice for the period 2010-12, where service tax credit disallowed on few services in the service tax audit whose tax demand is Rs.12.35 lacs. (Previous Year 12.35 lacs)
 - k) Company has received demand notice for the period 2012-13, which is on account of demand for service tax credit on frieght outward expenses made by the Company. The amount involved including interest and penalties is Rs.1.97 lacs (Previous Year 1.97 lacs.)
- 7) In relation to (b) (vii) above, following are the Sales tax cases contested by Subsidiary Company ('FM-TPR') comprise of:
- i) The matter is pending before the Joint Commissioner of Commercial taxes('JCCT'Appeals), Bangaluru:
 - a) The matter is pending at Assessing Officer for appeal effect in respect of Assessment Year 2010-11, disallowances were made on account of certain Advance wrtten-off in books and expenditure incurred on technical training fee. The amount involved is Rs. Nil (Previous Year Rs. 3.69 lacs).
- 8) In relation to (c) above, income tax cases disputed by the subsidiary company FMTPR comprise of:
- i) In respect of Assessment Year 2010-11, 2011-12 and 2013-14 Company has received TDS default notices on account of short deduction/ short payment of tax deduction at Source. The amount involved is Rs. 4.99 lacs (Previous Year 4.99 lacs).
 - ii) In respect of Assessment Year 2014-15, Company has received TDS default notices on account of short deduction/ short payment of tax deduction at Source.The amount involved is Rs. 1.66 lacs (Previous Year 0.70 lacs).
 - iii) The matter is pending at Assessing Officer for appeal effect in respect of Assessment Year 2011-12, disallowances were made on account of miscellaneous expense and technical training fee. The amount involved is Rs. 2.19 lacs (Previous Year Nil).
 - iv) The matter is pending at Assessing Officer for appeal effect in respect of Assessment Year 2012-13, disallowances were made on account of certain Service Tax recoverable wrtten-off in books and expenditure incurred on technical training fee. The amount involved is Rs. 7.73 lacs (Previous Year Nil).

33. Information in respect of related parties

- (a) Name of Parties where Control Exists
- i) Holding Company
 - Federal Mogul Holdings Limited (Mauritius)
 - ii) Subsidiary
 - Federal-Mogul TPR (India) Limited
 - iii) Ultimate Holding Company
 - Federal Mogul Corporation, USA
- (b) Key managerial personnel
- Mr. Andreas Wilhelm Kolf, Managing Director
 - Mr. Sachin Selot, CFO & Whol Time Director
 - Mr. Khalid Iqbal Khan, Secretary
 - Mr. Sunit Kapur, Director
 - Mr. Dan Brugger, Whole Time Director
 - Mr. Vikrant Sinha, Whole Time Director
 - Mr. Anand Kumar Sahoo, Secretary (FMTPR Ltd.)
 - Mr. S. Raghvendra, Manager (FMTPR Ltd.)
- (c) Fellow subsidiaries
- Federal Mogul Burscheid GMBH, Germany
 - Federal Mogul Nurnberg, GMBH (Germany)
 - Federal Mogul Holding Deutschland (Germany)
 - Federal Mogul Limited (U.K.)
 - Federal Mogul Financial Services FRANCTNL (France)
 - Federal Mogul Gorzyce, S.A. (Poland)
 - Federal Mogul Friedberg, GMBH (Germany)
 - Federal Mogul Sintered Products Ltd. (U.K.)
 - Federal Mogul Friction Products Ltd (Thailand)
 - Federal Mogul Thailand Manufacturina Ayutthaya, (Thailand)
 - Federal Mogul France, S.A. (France)
 - Federal Mogul Corporation, Garennes (France)
 - Federal Mogul (Shanghai)
 - Federal Mogul Friction Products Ltd.
 - Federal Mogul Worldwide Aftermarket
 - Federal Mogul Sistemas Brazil
 - Federal Mogul Dongsuh Piston Co. Ltd. (China)
 - Federal Mogul Bradford Ltd.
 - Federal Mogul Powertrain Spara, MII
 - Federal Mogul KK Yokohama
 - Federal Mogul Powertrain Inc, Southbend
 - Federal Mogul Chasseneuil
 - Federal Mogul Kontich
 - Federal Mogul Bearings India Ltd (India)
 - Federal-Mogul Ignition Products India Ltd (India) (Formerly known as Federal Mogul Automotive Product (India) Pvt Ltd.)
 - Federal-Mogul Motorparts Ltd. (India) (Formerly known as Federal Mogul VSP India Ltd.)
 - Federal-Mogul PTSS India Pvt. Ltd. (India) (Formerly known as Federal-Mogul Trading India Pvt. Ltd.)
- (d) Associates
- GTZ Securities Limited

Rs. in lacs

Related party disclosure

Particulars	Ultimate Holding Company	
	Federal Mogul Corporation (USA)	
	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013
Sales	(7,976.09)	(6,478.95)
Purchase/ (sale) of fixed assets	(0.51)	57.75
Purchase of raw material	49.78	281.85
Reimbursement of expenses paid	95.45	274.34
Reimbursement of expenses received	(141.52)	(233.33)
Balance outstanding as at the end of the period (Payables)	(34.86)	(1,428.28)
Balance outstanding as at the end of the period Receivables	1,935.95	-

Rs. in lacs

Particulars	Fellow Subsidiaries				
	Federal-Mogul Bradford Limited (Germany)	Federal Mogul Burscheid GmbH, (Germany)	Federal Mogul Gorzyee S.A (Poland)	Federal Mogul Dongsuh Piston Co.Ltd. (China)	
	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2013 to 31 December 2013
Sales	-	-	-	-	-
Purchase of raw material	1,285.77	3,136.18	0.98	-	-
Purchase/(sale) of fixed assets	-	1,998.72	-	-	-
Interest Expenses	-	-	-	-	-
Reimbursement of expenses paid	-	-	0.17	-	-
Reimbursement of expenses (received)	-	-	-	-	(167.28)
Service income	-	-	-	-	-
Royalty expense	-	238.37	-	-	-
Balance outstanding as at the end of the period (payable)	(192.43)	(415.55)	-	-	212.24
Balance outstanding as at the end of the period Receivables	-	-	-	-	(38.23)

Rs. in lacs

Particulars	Fellow Subsidiaries			
	Federal Mogul Nurnberg, GMBH (Germany)	Federal Mogul Thailand Manufacturina Ayuthaya, (Thailand)	Federal Mogul Holding Deutschland (Germany)	Federal Mogul Friction Products Ltd. (Thailand)
	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2013 to 31 December 2013
Sales	(3.62)	(2,625.70)	-	(927.08)
Purchase of raw material	399.28	-	-	5.81
Purchase / (Sale) of Fixed Assets	674.10	-	-	-
Interest Expenses	-	-	-	-
Management Support charges paid	-	-	774.70	-
Reimbursement of expenses paid	4.44	-	-	-
Reimbursement of expenses (received)	-	-	(15.34)	(1.02)
Royalty Expense	884.91	768.65	-	-
Balance outstanding as at the end of the period Receivables	-	451.47	-	83.04
Balance outstanding as at the end of the period (Payable)	(1,049.45)	(357.77)	(215.06)	(1.80)

Rs. in lacs

Particulars	Fellow Subsidiaries				Total
	Federal Mogul Financial Services FRANCHISE (France)	Federal Mogul Sintered Products Limited, (U.K)	Other Fellow Subsidiaries	Total	
	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2013 to 31 December 2013
Sales	-	(40.80)	(611.83)	(50.06)	868.98
Purchase of raw material	-	7.19	26.15	785.26	4,046.70
Purchase / (Sale) of Fixed Assets	-	89.87	-	42.80	2,297.38
Trade Mark & license fees	-	-	127.48	-	-
Management Support charges paid	-	-	-	-	631.51
Reimbursement of expenses paid	21.91	-	2.63	7.12	29.03
Reimbursement of expenses (received)	-	(0.09)	-	-	(167.28)
Royalty Expense	-	366.18	-	-	1,266.59
Balance outstanding as at the end of the period Receivables	-	-	454.80	-	44.81
Balance outstanding as at the end of the period (Payable)	-	(76.32)	(136.73)	(118.95)	(1,022.54)

Rs. in lacs

Particulars	Fellow Subsidiaries											
	Federal Mogul Bearings India Limited (India)		Federal Mogul Ignition Products India Limited (India)		Federal Mogul Holding Deutschland (Germany)		Federal Mogul Friction Products Ltd. (Thailand)		Total			
	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013		
Purchase of raw material, intermediaries and finished goods	697.64	720.31	2,500.21	1,737.96	910.65	-	-	-	-	4,108.50	2,458.28	
Trademark & License fees	-	-	-	-	-	-	-	-	-	-	-	
Reimbursement of expenses paid	672.49	-	76.41	23.75	4.59	-	19.20	-	772.70	-	23.76	
Reimbursement of expenses (received)	(1,133.15)	(161.74)	(491.29)	-	(95.85)	(433.85)	(47.04)	-	(2,103.25)	(642.62)	-	
Inter-corporate deposit (ICD) Taken	-	-	100.00	375.00	-	(75.00)	705.00	-	2,100.00	1,005.01	-	
Inter-corporate deposit (ICD) repaid	-	-	(500.00)	(900.00)	-	(75.00)	(320.00)	-	(2,700.00)	(1,294.99)	-	
Interest on the above ICD	-	-	247.19	291.67	-	0.74	481.33	-	687.67	773.75	-	
Balance outstanding as at the end of the period Payable	(109.70)	(43.13)	(1,908.91)	(2,082.10)	(11.88)	(13.45)	(4,884.92)	-	(6,219.86)	(7,023.59)	-	
Balance outstanding as at the end of the period Receivables	-	-	-	-	-	17.74	34.45	-	-	-	52.20	

Notes: * FM Ignition payables includes Rs 1,525 lacs (Previous year Rs 1,925 lacs) payable against ICD taken and Rs. 12.24 lacs (Previous year Rs 20.80 lacs) payable against the interest on the same.
*FM PTSB payables include Rs. 4180 lacs (Previous year Rs 4880 lacs) payable against ICD taken and Rs.33.55 lacs (Previous year Rs 39.38 lacs) payable against the interest on the same.

Key Managerial Personnel

Rs. in lacs

Particulars	Transaction during the year		Balance outstanding as at the end of the year (payable)	
	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013
Sachin Selot	122.01	10.94	-	-
Sumit Kapur	-	159.34	-	-
Andreas Wilhelm Koif	576.95	34.34	-	-
Dan Brugger	-	189.88	-	-
Vikrant Sinha	-	7.60	-	-
Khalid Iqbal Khan	68.69	-	-	-
Anand Kumar Sahoo	13.29	-	-	-
S. Raghavendra	27.08	18.46	-	-
Total	808.02	420.56	-	-

Note: Above remuneration details are related for 15 months from Jan 2014 till March 2015.

Related Party Transaction Jan'14-March'2015

Particulars	Common Control with holding Co.				Fellow Subsidiary				Total	
	Federal Mogul UK Investment Limited		Teikoku Piston Rings		Federal Mogul Systemas		Federal Mogul Burschied		Total	
	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013
Purchase of raw material, intermediaries and finished goods	-	-	100.22	121.89	-	-	12.02	-	112.24	121.89
Dividend Paid/ Proposed	171.50	171.50	171.50	171.50	-	-	-	-	343.00	343.00
Remuneration	-	-	-	-	-	-	-	-	-	-
Reimbursement of Expenses paid	-	-	-	-	4.58	4.58	-	-	4.58	4.58
Royalty Expense	-	-	221.27	153.62	-	-	-	-	221.27	153.62
Balance outstanding as at the end of the Year (Payable)	-	-	(42.93)	(86.85)	-	(4.58)	(12.14)	-	(55.07)	(91.42)

34. Operating lease

a) Assets taken under operating lease agreement

Period	Rs. in Lacs	
	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
1. Lease payments for the year	501.87	371.69
2. Minimum lease payments		
a. Not later than one year	262.31	346.85
b. Later than one year and not later than five years	320.79	182.87
c. Later than five years	-	-
(b) The lease payments recognised in the statement of profit and loss for the year is Rs. 504.75 lacs (for the year 1 January 2013 to 31 December 2013 Rs. 374.03 lacs).		

35. Particulars of unhedged foreign currency exposure as at 31 March 2015

Particulars	Currency	As At March	As At March	As At March	As at December	As at December	As at December
		31, 2015	31, 2015	31, 2015	31, 2013	31, 2013	31, 2013
		Amount	Amount (Foreign	Rates, 1 Unit of	Amount	Amount (Foreign	Rates, 1 Unit of
		Rs. (in lacs)	currency in lacs)	Foreign Currency)	Rs.(in lacs)	currency in lacs)	Foreign currency
				equivalent INR)			equivalent INR)
Creditors	CHF	2.64	0.04	66.13	4.02	0.06	71.15
Creditors	EUR	2,101.46	30.38	69.17	1,943.05	22.32	87.08
Creditors	GBP	197.48	2.09	94.59	340.76	3.27	104.06
Creditors	JPY	141.04	264.82	0.53	162.16	269.33	0.60
Creditors	SEK	13.42	1.79	7.51	29.85	3.01	9.92
Creditors	USD	1029.56	16.10	63.93	841.82	13.34	63.09
Debtors	JPY	33.99	66.66	0.53	-	-	-
Debtors	EUR	1,083.87	16.39	66.13	529.93	6.34	83.58
Debtors	RMB	-	-	-	0.10	0.73	0.14
Debtors	USD	2,405.04	39.29	61.21	1,884.81	31.08	60.65
Debtors	RMB	-	-	-	3.04	0.04	68.21
Advance to suppliers	EUR	1,003.55	14.51	69.17	912.75	10.92	83.58
Advance to suppliers	GBP	86.34	0.91	94.59	293.87	2.94	99.87
Advance to suppliers	JPY	10.88	20.44	0.53	183.22	313.45	0.58
Advance to suppliers	SEK	19.44	2.59	7.51	27.70	2.96	9.35
Advance to suppliers	USD	116.87	1.83	63.93	284.51	4.69	60.65

36. Disclosures in accordance with revised AS-15 on "Employee benefits"

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of services, gets a gratuity on departure at 15 days basic salary (last drawn) for each completed year of service and who has completed ten years or more of services, gets a gratuity on a departure at 30 days basic salary (last drawn) for each completed year of service, on terms not less favourable than the provisions of the payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet for the plan.

	Rs. in Lacs	
	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
Statement of Profit and Loss		
Net employee benefit expense (recognized in Employee cost)		
Current service cost	446.62	351.07
Interest cost on benefit obligation	775.85	573.00
Expected return on planned assets	(330.05)	(300.11)
Net actuarial (gain) / loss	(294.10)	(29.91)
Net benefit expense	598.32	594.05
Balance Sheet		
Details of provision for gratuity		
Defined benefit obligation	8,383.34	7,796.95
Less: Fair value of plan assets	(4,347.50)	(3,454.04)

Rs. in Lacs

	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
Plan liability	4,035.84	4,342.91
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	7,796.95	7,718.21
Interest cost	775.86	573.00
Current service cost	446.62	351.07
Benefits paid directly by the company	(155.40)	(33.69)
Benefits paid from the fund	(996.11)	(809.88)
Actuarial (gains) / losses on obligation	515.42	(1.75)
Closing defined benefit obligation	8,383.34	7,796.96
Changes in the fair value of plan assets are as follows :		
Opening fair value of plan assets	3,454.03	3,758.66
Expected return	330.05	300.11
Contributions by employer	750.00	177.00
Benefits paid	(996.11)	(809.88)
Actuarial gains / (losses)	809.53	28.15
Closing fair value of plan assets	4,347.50	3,454.04

The Company's expected contribution to the fund in the next year is not presently ascertainable and hence, the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date as required by para 120(o) of the accounting standard 15(revised) on employee benefits has not been disclosed.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:-[AS15 Revised Para 120 (h)]

	%	%
Investments with insurer	100	100

The principal assumptions used in determining gratuity for the Company's plan is shown below:

Discount rate	7.75% p.a.	8.0% p.a.
Normal retirement age	58 years	58 years
Employee turnover	5.0% p.a.	5.0% p.a.

The estimates of seniority, future salary increases, considered in actuarial valuation, take account of price inflation, promotions and other relevant factors, such as supply and demand in the employment market.

Amount for the current year and previous four years are as follows :

Rs. in Lacs

Particulars	as at 31 March 15	as at 31 December 13	as at 31 December 12	as at 31 December 11	as at 31 December 10
Defined benefit obligation	8,383.35	7,796.95	6,545.91	6,192.34	5,535.76
Cumulative unrecognised actuarial gains	-	-	-	239.91	-
Plan assets	4,347.51	3,454.03	3,812.62	3,882.44	3,471.23
Deficit	4,035.84	4,342.92	2,733.29	2,549.81	2,064.53
Experience adjustments on plan liabilities	520.71	375.67	511.34	205.76	280.10
Experience adjustments on plan assets	29.56	348.35	180.08	489.37	(210.74)

	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
37. Provident fund and other funds		
Contribution to provident and other funds	1,737.67	1,308.95
Contribution to superannuation funds	188.22	140.65
	1,925.89	1,449.60

38. Details of dues to medium and small enterprises as defined under the MSMED Act, 2006

The Micro, small and medium enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosures in respect to micro and small Enterprises as per MSMED Act, 2006 is as follows:

Particulars	As at 31 March 2015	As at 31 December 2013
The principal amount remaining unpaid as at the end of year	216.22	140.26
Interest due on above principal and remaining unpaid as at the end of the year	0.77	1.31
The amount of interest paid by the buyer in terms of section 16, of the micro, small and medium enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under micro, small and medium enterprise development Act, 2006.	25.81	18.69
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	25.48	22.51
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	6.22	5.30

39. Expenses capitalised

The Group has capitalized various expenses incurred in the course of construction of self generated assets, the details of expenses capitalized from operating expenses for the purpose of construction of self generated assets are as follows:

	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
Salaries, wages and bonus	35.38	30.46
Consumption of stores and spares	39.89	45.69
Total	75.27	76.15

40. Provision for regulatory matters

During the year ended 31 December 2010, the Group had commenced an evaluation process for various regulatory matters at its factories. Based on more accurate information discovered, a provision, towards costs to be incurred to remediate these matters, of Rs. 355.05 lacs is included under Schedule no. 8 for provisions which are net of amounts utilized of Rs. 810.00 lacs during the year towards remediation.

In addition to the above, the provision for regulatory matters includes a provision of Rs.922.24 lacs towards certain other regulatory matters.

The Group is actively seeking to resolve these actual and potential statutory, taxation, regulatory and contractual obligations. In accordance with requirements of Accounting Standard 29 on 'Provisions, Contingent liability and Contingent assets' issued by the Institute of Chartered Accountants of India, although difficult to quantify based on the complexity of the issues, the Company has accrued amounts corresponding to its best estimate of the costs associated with such regulatory and contractual obligations on the basis of available information and best professional judgment of experts appointed for this exercise.

Based on consultations obtained from the experts in respect of the said matters, in management's view, no further costs are expected to be incurred to remediate for which a provision would be required at this stage and considers the provisions made to be adequate.

41. Management support charges

For the period 1 January 2014 till 31 March 2015, the Group has paid management support charges to its group companies of Rs 774.68 lacs in respect of certain application engineering services provided to the Company. The Company carries out its transfer pricing study annually for the tax period of April-March and updates its documentation, choice of methods and benchmarks to ascertain adequacy and compliance with the "arms length" principles prescribed under Income Tax Act. For the year April 1, 2014 to March 31, 2015, the process of updation is ongoing and management is confident of completing the same. The provision for current tax has been made accordingly considering the said amounts of Rs. 774.68 lacs as "allowable expenditure".

42. Per transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961, the Company is required to use certain specific methods in computing arm's length prices of international transactions with associated enterprises and maintain adequate documentation in this respect. Since law requires existence of such information and documentation to be contemporaneous in nature, the Company has appointed independent consultants for conducting a Transfer Pricing Study (the 'Study') to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arms length basis". Management is of the opinion that the Group's international transactions are at arm's length and that the results of the on-going study will not have any impact on the financial statements and the independent consultants appointed have also preliminarily confirmed that they do not expect any transfer pricing adjustments.

43. In the opinion of the board of directors, current assets, loans and advances have a value on realization in its ordinary course of the business at least equal to the amounts at which they are stated and provision for all known liabilities have been made.

44. Excess provision written back includes income on account of reversal of provision for diminution in value of investment in GI Power of Rs 876.44 lacs. The provision has been reversed during the period because the Company has sold the investment.

45. During the period the Group has entered into Power Purchase Agreement with Real Captive Power Private Limited (RCP) and paid Rs 850 lacs as security deposit is recoverable in 5 equal instalments beginning from 7th to 11th year. RCP is a newly incorporated enterprise and, as such, recoverability of the security deposit will solely be dependent on the financial position of RCP at the time of repayment. The management believes that purchase of power from RCP would result into savings. On conservative basis, the Company has created a provision for security deposit of Rs 850 lacs.

46. Previous period numbers have been regrouped / reclassified, wherever considered necessary

As per our attached report of even date

For Walker Chandiook & Co LLP
(formerly Walker Chandiook & Co)
Chartered Accountants

per Neeraj Sharma

Partner
M. No. 502103

Place: Gurgaon
Date: May 22, 2015

For and on behalf of the Board of Directors of
Federal-Mogul Goetze (India) Limited

Andreas Wilhelm Kolf
Whole Time Managing Director
DIN : 00519780

Dr. Khalid Iqbal Khan
Company Secretary

Sachin Selot
Whole Time Finance Director & CFO
DIN : 06700360

Consolidated Cash flow statement for the period 1 January 2014 to 31 March, 2015

Rs in lacs

	For the period 31 March, 2015	For the period 31 December, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	7,924.54	5,615.73
Adjustments for:		
Depreciation and amortisation	9,341.36	6,904.82
Loss on sale / discard of fixed assets (net)	122.13	206.55
Provision for doubtful debts and advances	1,031.27	2.70
Advances written off	163.25	155.26
Interest income	(242.66)	(137.28)
Interest expense	3,107.97	2,469.26
Excess provision written back	(1,188.74)	(286.13)
Unrealised forex (gain)/ loss (net)	(2.75)	82.69
Operating profit before working capital changes	20,256.37	15,013.60
Movements in working capital:		
Decrease / (increase) in trade and other receivable	1,875.29	(1,725.12)
Decrease / (increase) in inventories	(4,979.18)	(1,522.15)
Increase in trade and other payables	1,306.21	1,445.18
Cash generated from operations	18,458.69	13,211.51
Direct taxes paid (net of refunds)	(5,671.25)	(1,723.35)
Net cash from operating activities (A)	12,787.44	11,488.16
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets/ intangibles assets	(10,569.20)	(8,776.56)
Proceeds from sale of fixed assets	252.68	47.04
Movement in restricted cash	(13.43)	(722.75)
Movement in fixed deposits	(390.61)	419.75
Proceeds from sale of investment	876.44	-
Interest received	177.30	132.95
Net cash used in investing activities (B)	(9,666.82)	(8,899.57)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term borrowing taken/ (repaid)	(833.33)	1,600.00
Movement in borrowings (short term)	2,185.76	(1,182.73)
Interest paid	(3,084.72)	(2,449.43)
Dividend paid on equity shares	(428.75)	(343.00)
Tax on dividend paid on equity shares	(174.95)	(122.79)
Net cash (used in) financing activities	(2,335.99)	(2,497.95)
Net increase in cash and cash equivalents (A + B + C)	784.63	90.64
Cash and cash equivalents at the beginning of the year	499.92	409.28
Cash and cash equivalents at the end of the period	1,284.55	499.92
Components of cash and cash equivalents as at		
Cash and Cheques on hand	0.01	25.19
With bank - on current account	1,284.54	459.64
Balance held as margin money (with original maturity upto 3 months)	-	15.09
	1,284.55	499.92

This is the consolidated cash flow statement referred to in our report of even date

For Walker Chandiook & Co LLP
(formerly Walker Chandiook & Co)
Chartered Accountants

per Neeraj Sharma

Partner
M. No. 502103

Place: Gurgaon
Date: May 22, 2015

For and on behalf of the Board of Directors of
Federal-Mogul Goetze (India) Limited

Andreas Wilhelm Kolf
Whole Time Managing Director
DIN : 00519780

Dr. Khalid Iqbal Khan
Company Secretary

Sachin Selot
Whole Time Finance Director & CFO
DIN : 06700360