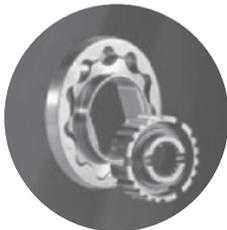
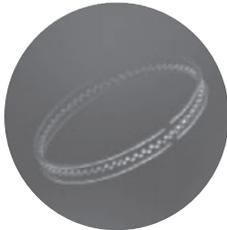


FEDERAL-MOGUL GOETZE (INDIA) LIMITED



**64TH Annual Report - 2018-19
(ABRIDGED)**

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BOARD OF DIRECTORS

Chairman & Director

Mr. K. N. Subramanian



Whole Time Managing Director

Mr. Vinod Kumar Hans



Whole Time Director - Legal & Company Secretary

Dr. Khalid Iqbal Khan

Chief Finance Officer & Finance Director

Mr. Manish Chadha



Directors

Mr. Sunit Kapur

Mr. Rajesh Sinha

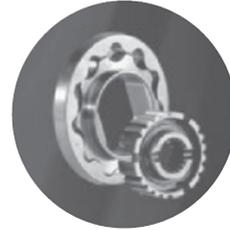
Ms. Janice Ruskey Maiden

Mr. Mahendra Kumar Goyal

Mr. Mukul Gupta

Mr. K C Sundareshan Pillai

Ms. Nalini Jolly



Auditors

M/s. Walker, Chandio & Co. LLP

REGISTRAR AND SHARE TRANSFER AGENTS

Alankit Assignments Limited
Corporate Office, 'Alankit Heights'
3E/7, Jhandewalan Extn.
New Delhi 110 055
Ph. No. 011-23541234, 42541956
Fax No. 011-42541201
Email: rta@alankit.com

REGISTERED OFFICE

DLF Prime Towers,
10 Ground Floor,
F-79 & 80, Okhla Phase - I,
New Delhi - 110020

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)

KEY BANKERS

Deutsche Bank AG
HDFC Bank Ltd.
Kotak Mahindra Bank Ltd.
State Bank of India
Yes Bank Limited

TEN YEAR'S FINANCIAL REVIEW

(Rs. in lacs)

| | March 2019 | March 2018 | March 2017 | December 2016 (15 months) | December 2015 | December 2013 | December 2012 | December 2011 | December 2010 | December 2009 |
|--|-------------------|---------------|---------------|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Income (gross) | 134,747.24 | 136,221.30 | 141,345.50 | 150,128.05 | 170,452.08 | 126,832.80 | 131,370.48 | 126,312.25 | 102,405.62 | 84,041.87 |
| Depreciation | 8,151.33 | 7,343.32 | 7,643.33 | 7,517.68 | 8,937.31 | 6,613.55 | 6,193.52 | 5,365.89 | 4,822.46 | 4,949.23 |
| Profit before Tax | 13,310.20 | 13,643.81 | 10,974.58 | 7,180.15 | 4,745.73 | 3,035.85 | (1,383.93) | 4,864.01 | 4,569.31 | 5,067.48 |
| Taxation (adjmt for excess provision for prev.yr. written back if any) | 4,755.24 | 5,109.62 | 3,780.76 | 2,779.51 | 1,610.19 | 977.29 | 251.82 | 1,117.84 | 1,130.39 | 457.87 |
| Profit after Tax | 8,554.97 | 8,534.19 | 7,193.82 | 4,400.64 | 3,135.54 | 2,058.56 | (1,635.74) | 3,746.17 | 3,438.92 | 4,609.61 |
| Dividend | - | - | - | - | - | - | - | - | - | - |
| Dividend Tax | - | - | - | - | - | - | - | - | - | - |
| Retained Profit/(Loss) | 8,554.97 | 8,534.19 | 7,193.82 | 4,400.64 | 3,135.54 | 2,058.56 | (1,635.74) | 3,746.17 | 3,438.92 | 4,609.61 |

Assets Liabilities & Net Worth

| | March 2019 | March 2018 | March 2017 | December 2016 | December 2015 | December 2013 | December 2012 | December 2011 | December 2010 | December 2009 |
|---------------|------------------|---------------|---------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Fixed Assets | 56,877.36 | 54,712.22 | 54,088.36 | 55,247.43 | 52,409.45 | 50,710.79 | 49,557.25 | 46,346.75 | 39,043.60 | 38,348.16 |
| Investments | 516.94 | 513.25 | 513.25 | 510.00 | 510.00 | 510.00 | 510.00 | 2,092.34 | 2,092.34 | 2,092.34 |
| Indebtedness | 6,661.45 | 6,812.67 | 11,593.22 | 20,132.59 | 21,975.54 | 20,244.13 | 19,021.30 | 15,384.40 | 8,648.74 | 10,113.80 |
| Share Capital | 5,563.21 | 5,563.21 | 5,563.21 | 5,563.21 | 5,563.21 | 5,563.21 | 5,563.21 | 5,563.21 | 5,563.21 | 5,563.21 |
| Reserves | 67,777.55 | 59,222.58 | 50,688.39 | 43,494.57 | 39,514.26 | 36,378.72 | 34,320.16 | 35,955.90 | 32,209.74 | 28,770.82 |
| Net Worth | 73,340.76 | 64,785.79 | 56,251.60 | 49,057.78 | 45,077.47 | 41,941.93 | 39,883.37 | 41,519.11 | 37,772.95 | 34,334.03 |

Significant Ratios

| | March 2019 | March 2018 | March 2017 | March 2016 | March 2015 | Dec 2013 | Dec 2012 | Dec 2011 | Dec 2010 | Dec 2009 |
|---|---------------|---------------|---------------|---------------|---------------|-------------|-------------|-------------|-------------|-------------|
| A. Measurement of Investment | | | | | | | | | | |
| Percentage of Return on Investment (annualised) | 17.56 | 19.57 | 16.02 | 10.54 | 7.34 | 5.01 | (2.40) | 9.41 | 10.06 | 11.21 |
| Percentage of Return on Equity(annualised) | 19.27 | 22.54 | 20.84 | 15.25 | 10.91 | 7.42 | (3.40) | 12.27 | 12.67 | 15.82 |
| Dividend Cover (Ratio) | - | - | - | - | - | - | - | - | - | - |
| B. Measurement of Performance | | | | | | | | | | |
| Percentage of Profit before Tax to sales | 10.09 | 10.20 | 7.91 | 4.91 | 2.85 | 2.44 | (1.06) | 4.05 | 4.72 | 6.32 |
| Percentage of Profit after Tax to sales | 6.49 | 6.38 | 5.19 | 3.01 | 1.88 | 1.65 | (1.26) | 3.12 | 3.55 | 5.75 |
| C. Measurement of Financial Status | | | | | | | | | | |
| Percentage of term Loans to Tangible Net Worth | - | - | 0.08 | 0.23 | 0.20 | 0.18 | 0.10 | 1.93 | 3.18 | 7.28 |
| Current Ratio | 1.61 | 1.39 | 1.20 | 0.98 | 0.93 | 0.90 | 0.83 | 1.04 | 1.12 | 0.99 |
| D. General | | | | | | | | | | |
| Dividend per Equity Share (Rs.) | - | - | - | - | - | - | - | - | - | - |
| Earnings per Equity Share (Rs.) (annualised) | 14.83 | 14.91 | 13.33 | 7.91 | 5.64 | 3.70 | (2.94) | 6.73 | 6.18 | 8.29 |
| Book Value per Equity Share (Rs.) | 131.83 | 116.45 | 101.11 | 88.18 | 81.03 | 75.39 | 71.69 | 74.63 | 67.90 | 61.72 |

Corporate Social Responsibility Activities

The Company is dedicated to fuelling development of communities around Company's business presence. Through the years, we have implemented projects that provide essential healthcare to the underprivileged population, increase the earning potential and income of Indian families through skill training, invest in teachers to ensure quality education for India's youth, leverage technology by imparting skill to encourage learning and financial literacy and train women drivers. We have also contributed to the Government of India's initiatives such as Swachh Bharat and have invested in various State Government initiatives.

1. Education

Ghar Angna School for under privileged

We continue our support to Ghar Angna, where we educate children from Nursery till class 3 and engage children to help them understand the importance of education. We believe that real development comes by illuminating the minds through education. So far we have impacted around 300 disadvantaged families through this programme.

Sponsoring Education for Children at Prayas Juvenile Aid Centre Society and Ishwar

The Company has taken over education of 100 girls at Prayas's Tughlakabad Shelter Home for Girls and 80 Children at Ishwar at IGNOU.

Prayas Juvenile Aid Centre Society, is a national level humanitarian, gender sensitive and child focused development organization. Formed in 1988, through the collaborative efforts of the Delhi Police, The Delhi School of Social Work and Shramik Vidyapeeth. It aims at reorganizing and rebuilding the lost childhood of children in need of care, protection and development.

Among over 50 Projects, Prayas operates 242 centres including 47 Homes/Shelters for children, 53 Vocational Training Centers, across the country. They are also running 6 Emergency Help Line Numbers (1098) for Children found in distress and difficult circumstances in Delhi, Bihar and Andaman & Nicobar Islands

Education programmes at IIT Delhi Campus

Our Adult Literacy, NIOS (Open School), Vidya Deep Programme for Youth and Remedial Education for students are successfully running at IIT Delhi Campus. At this centre, we offer three options for its learners : remedial education, bridge course and adult literacy course. Our programme hopes to eradicate illiteracy in slum communities by making itself available to all members of that community .

This year, the adult literacy programme collaborated with Butterfly, an NGO to conduct the examination for class 5 and Class 7.

Bridge Course NIOS) at Vidya Gurugram School

Our Bridge Course is a huge milestone, a dream come true, NIOS is giving a second opportunity to many who thought a single failure could impact the rest of their future. By giving another shot at a success we endeavour to metamorphize their lives and that of their families. Our mission is to impart holistic education for every child admitted and the NIOS students receive equal opportunities as the regular school students.

Our NGO have now secured accreditation for admitting 300 students in the NIOS Programme commencing from April 1, 2019. It has now become an official Exam centre for Open school.



Launch of Mentor-Mentee Programme (MITR)

Towards the betterment and holistic growth and development of the NIOS students being sponsored by us for remedial coaching, we recently launched a MITR (Mentor-Mentee) programme. The essence of corporate mentoring underprivileged children is the need to grow these students emotionally, socially and intellectually and create greater awareness of ethics and leadership roles in business and society.

Our mission is to empower the children from low-income groups by providing them with strong role-models in the form of mentors. In the process, we also support the evolution of mentors by providing them a chance to directly interact with the kids, and take back home lessons for life and a friend for a lifetime.



SOS Children's Village

We continue our association with SOS Children's Village by sponsoring education and supporting two family units, one at Rajpura and other at Bangalore. The company adopted another child care home consisting of 11 children with mother and care-giver for one-year period in SOS village in Bengaluru this year. At Rajpura, Patiala, we have been sponsoring similar home for the past 2 years

The supported children were once parentless or abandoned girls, who were in need of care and protection. These children didn't have access to education, nutrition, and health requisites; they were at the high risk of abuse, exploitation and neglect. Had there been no support, lack of parental care would have resulted in socially and emotionally impaired children.



Workshop on Digital Literacy and Cyber Crime for School Children

In this modern age it is essential to identify the risks associated with technological advancements and safe guard our digital presence. With this motive, we organised workshops in Senior Secondary Govt. School at Baroti and Masulkhana, Parwanoo to educate children on Digital Literacy, cyber crime and cyber security.

We were honoured to have with us Mrs. Daizy Thakur, Chairperson, Women's Commission Cell, Himanchal Pradesh as our Chief Guest.



2. Natural Disaster Relief

As the state of Kerala witnessed worst flooding in 100 years, the company contributed to Chief Minister's Fund to aid the state.

3. Preventive Health Care

Health Camps

Health camps are organized on monthly basis in the slums wherein awareness sessions are conducted on various diseases and hygiene workshop (Brushing & hand washing) for student. Menstrual hygiene workshop are also held for women with distribution of sanitary pads. Each camp benefits around 300 villagers.



Corporate TB Pledge

Tuberculosis (TB) is one of the leading infectious killers in India, killing roughly one person every minute. India has the world’s largest burden of TB, causing a loss in productivity and draining the Indian economy. To support this ambitious goal, the Company has signed a pledge with AMCHAM to take up this important initiative!

We aim at rising awareness of TB as a curable disease through our Health camps. We also plan to use the OPD centre at Rajpura to spread this awareness programme in liaison with Govt. Initiatives.

Construction of OPD Centre at Patiala

The Patiala location has initiated construction of OPD facility for the benefit of community residing in the district of Bahadurgarh-Patiala, thereby uplifting the underprivileged and contributing for a noble cause. The objective of this project is to improve health conditions of slum dwellers through health education and provision of health services.

Our project has received much appreciation and has been covered by local news paper

4. Women Empowerment Programmes

Women Drivers on call

The Company has joined hands with NEEVA Foundation to train women to take up driving in Gurgaon, under our women empowerment programme. We are training women from low income backgrounds to not only become drivers but also entrepreneurs. It’s a car service featuring only women drivers and catering only to women and children

Once the ladies are trained and fit to go on road, they get employment through Taxshe. After successfully operating this business module in Bangalore for the past 4 years, Taxshe has launched this programme in Delhi and NCR.

WOMEN DRIVERS
Services Offered – Exclusively for Women & Children

1. Driver on Call (Your Car – Taxshe Women Driver)
2. Shared Cab services (Taxshe Huddle)
3. Retail Cabs



Training, Pregnancy Huddles, School pickups & drops, Tuition Pickups, Office pickups & drops for Women, Car Pooling, Wedding Shopping, Senior Citizen visits to Banks etc, Gymnastic visits for Mom-to-be, Family Movie, Same day Outstation visits, Intercity Tourism

Call Delhi NCR
+919319192560 / +919319192561
www.taxshe.com



'No Polythene Campaign' at Silai centre, Bhiwadi

To align with 'Jhola Challenge' initiated by Ministry of Housing and Urban Affairs, Federal-Mogul has reintroduced 'No Polythene Campaign'.

In the first batch, Self Help Group Women and trainer of our Stitching Training Centre at Bhiwadi, visited door-to-door in Harchandpur Village with "Go Green" concept, informing the villagers the negative effects of poly bags and appealed to them not to use them. They Distributed 5000+ "Go Green" Bags. The campaign turned out to be a great success. The Villagers appreciated Company's efforts towards Environment Protection.



Jhola is the way of life -- Let's adopt eco-friendly habit of using Jhola like our elders used to do

Jhola Challenge spread till Noida

A talk was organised on Menstrual & General Hygiene, Swachh Bharat and say 'No to Polythene' at Kendriya Vihar, Noida. About 250 ladies from the slums and near by villages were benefited Most important being that the sanitary pads distributed were made from bio-degradable material and manufactured by Tihar Jail inmates, thereby generating income for them



5. Employment Enhancing Vocational Skill Centres

The Bangalore location has set up Training Workshops in the premises of a Remand Home run by the Government of Karnataka, wherein they keep orphaned youth.

Govt. of Karnataka has allocated us 2 halls (one each in boys and girls hostel) to conduct certification courses

A. 2-wheeler Maintenance course at boys hostel &

B. Tailoring centre at girls hostel



Bi-wheeler Training centre in Gurugram

Our Technical Training Programme at Gurugram has also been running successfully for the last 3 years, wherein around 170 youth have been trained and around 150 are employed already.



6. Supporting Government Initiatives

Renovation and Construction of new toilets in Yelahanka Police Station- under Swachh Bharat Abhiyan

While Prime Minister Narendra Modi's pet Swachh Bharat project has under-scored the need to build lavatories across India and also inspired films like Toilet : Ek Prem Katha, the city's men and women in Khaki enthralled upon the need to renovate and build public toilets for visitors, inmates and underprivileged around Yelahanka Police station.

The Company under 'The Clean India Initiative' inaugurated the renovated and new toilets at New Town Police Station Yelahankha.

Gandhi Jayanti Celebrations at Bhiwadi - Focussing Swachh Bharat Abhiyan

Taking a pledge to walk on the path shown by Mahatma Gandhi, our Bhiwadi School conducted a padyatra , to commemorate the 150th birth anniversary of the Father of the Nation.



Employee Engagement

On the occasion of Republic Day, employees of the Gurgaon office donated old clothes to 'The Earth Saviours Foundation, a home for senior citizens and disabled people. This NGO has around 450 inmates who were in dire need of bed sheets. The company took the initiative to donate bed sheets to this shelter.

NOTICE

Notice is hereby given that the 64th Annual General Meeting of the Company will be held on Thursday, 19th September, 2019 at 11:00 AM at Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 and Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Rajesh Sinha (DIN:07358567) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Manish Chadha (DIN: 07195652) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:**TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTIONS AS ORDINARY RESOLUTION:****4. Ratification of Remuneration to Cost Auditor for the financial year 2019-20**

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with 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 2019-20, amounting to Rs. 4,95,000/- (Rupees Four Lakh Ninty-Five Thousand Only) as audit fee plus applicable tax(es) plus out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified, confirmed and approved."

5. Appointment of Ms. Nalini Jolly (DIN:08520132) as an Independent Director of the Company

"RESOLVED THAT pursuant to the provisions of section 149, 152 and 160, Schedule IV and other applicable provisions, if any, of Companies Act, 2013 read with rules made there under and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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. Nalini Jolly (DIN: 08520132) as an Independent Director of the Company to hold the office for a period of 3 (three) years, commencing from 13th August, 2019 to 12th August, 2022."

TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTIONS AS SPECIAL RESOLUTION:**6. Re-Appointment of Mr. Vinod Kumar Hans (DIN : 03328309) as Whole-Time Managing Director 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 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 re-appoint Mr. Vinod Kumar Hans (DIN : 03328309), as the Whole-Time Managing Director of the Company, for a period of three years w.e.f 1st January, 2019 to 31st December, 2021 on the following terms and conditions:

| | |
|---------------|--|
| Base Salary: | Salary in the scale of Rs. 41,16,000/- to Rs. 54,00,000/- per annum |
| Perquisites : | <ul style="list-style-type: none">- HRA: 50% of the base salary p.a.- Special Allowance: In the scale of Rs. 44,93,304/- p.a. to Rs. 58,00,000/- p.a. subject to annual review by the Board/Remuneration Committee.- 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: Mr. Hans will be entitled to annual MIP bonus subject to a maximum of Rs. 55,00,000/- p.a.- Car Allowance: Rs. 7,50,000/- or such higher amount as may be fixed 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.- Contribution to Superannuation fund/NPS: As per Company's policy from time to time. |

RESOLVED FURTHER THAT where in any financial year during the tenure of appointment of Mr. Vinod Kumar Hans as Whole-Time Managing Director, the Company has no profits or its profits are inadequate, he shall be paid the above remuneration as the minimum remuneration, 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, 2013, 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 Mr. Vinod Kumar Hans as Whole-Time Managing Director, of the Company, including the payment of remuneration to him within the maximum permissible limits under Schedule V to the Companies Act, 2013 or within the scale as may be approved by the Central Government."

7. Re-appointment of Mr. Rajesh Sinha (DIN: 07358567) as the Whole-Time Director 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 there under, as amended upto date and any amendments or re-enactments thereto, the approval of 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 re-appoint Mr. Rajesh Sinha (DIN: 07358567), as the Whole-Time Director of the Company, for a period of three years w.e.f 1st January, 2019 to 31st December, 2021 on the following terms and conditions:

| | |
|---------------|---|
| Base Salary: | Salary in the scale of Rs. 27,00,000/- to Rs. 35,00,000/- per annum |
| Perquisites : | <ul style="list-style-type: none">- HRA: 50% of the base salary p.a.- Special Allowance: In the scale of Rs. 28,51,560/- p.a. to Rs. 37,00,000/- p.a. subject to annual review by the Board/Remuneration Committee.- 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: Mr. Sinha will be entitled to annual MIP bonus subject to a maximum of Rs. 23,00,000/- p.a.- Car Allowance: Rs. 5,10,000/- or such higher amount as may be fixed 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.- Contribution to Superannuation fund/NPS: As per Company's policy from time to time. |

RESOLVED FURTHER THAT where in any financial year during the tenure of re-appointment of Mr. Rajesh Sinha as Whole-Time Director, the Company has no profits or its profits are inadequate, Mr. Sinha shall be paid the above remuneration as the minimum remuneration, 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, 2013 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 Mr. Rajesh Sinha as Whole-Time Director, of the Company, including the payment of remuneration to him within the maximum permissible limits under Schedule V to the Companies Act, 2013 or within the scale as may be approved by the Central Government.”

8. Re-Appointment of Mr. Mahendra Kumar Goyal (DIN: 02605616) as an Independent Director of the Company

“**RESOLVED THAT** pursuant to the provisions of section 149, 152 and 160, Schedule IV and other applicable provisions, if any, of Companies Act, 2013 read with rules made there under and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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 an Independent Director of the Company to hold the office for a period of three (3) years, with effect from 13th August, 2019 to 12th August, 2022.”

9. Re-appointment of Mr. Manish Chadha (DIN: 07195652) as CFO & Finance Director of the Company effective from February 5, 2019

“**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 there under as amended upto date and any amendments or re-enactments thereto, the approval of 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 re-appoint Mr. Manish Chadha (DIN: 07195652), as the CFO & Finance Director of the Company, for a period of three years w.e.f 5th February, 2019 to 4th February, 2022 on the following terms and conditions:

| | |
|---------------|--|
| Base Salary: | Salary in the scale of Rs. 23,71,200/- to Rs. 31,00,000/- per annum |
| Perquisites : | <ul style="list-style-type: none">- HRA: 50% of the base salary p.a.- Special Allowance: In the scale of Rs. 23,96,340/- p.a. to Rs. 31,00,000/- p.a. subject to annual review by the Board/Remuneration Committee.- 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: Mr. Chadha will be entitled to annual MIP bonus subject to a maximum of Rs. 20,00,000/- p.a.- Car Allowance: Rs. 5,10,000/- or such higher amount as may be fixed 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.- Contribution to Superannuation fund/NPS: As per Company's policy from time to time. |

RESOLVED FURTHER THAT where in any financial year during the tenure of appointment of Mr. Manish Chadha as CFO & Finance Director, the Company has no profits or its profits are inadequate, he shall be paid the above remuneration as the minimum remuneration, 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, 2013, 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 Mr. Chadha as CFO & Finance Director, of the Company, including the payment of remuneration to him within the maximum permissible limits under Schedule V to the Companies Act, 2013 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
Whole-time Director-Legal &
Company Secretary
Membership No. F5993

Date : 13th Aug 2019
Place : Gurugram

Address: IGF-Emerald Hills Floor-138, Sec.-65 Urban Estate,
Golf Course Extn. Road, Gurugram-122101

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 as proxy and 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 Item No. 4, 5, 6, 7, 8 and 9 of the accompanying Notice are annexed hereto.**
- iv) **A statement giving the relevant details of the directors seeking re-appointment under Item No. 2 & 3 of the accompanying Notice, as required by Secretarial Standards-2 and Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith.**
- v) The Directors' Report, Auditors' Report, Audited Financial Statements for the financial year ended 31st March, 2019 are enclosed.
- vi) The Register of Members and Share Transfer Books of the Company shall remain closed from 13th September, 2019 to 19th September, 2019 (both days inclusive) for the purpose of Annual General Meeting.
- vii) The Notice of the Annual General Meeting alongwith the Attendance slip, Proxy Form and E-voting Instructions is being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s) unless a member has requested for a hard copy of the same. For the members who have not registered their email address, physical copy of the notice is being sent by the permitted mode.
- viii) The Company is pleased to provide e-voting facility to the shareholders of the Company through National Securities Depository Services India Limited (NSDL), to transact the business through e-voting.
- ix) 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.
- x) 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.
- xi) 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.
- xii) 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.
- xiii) 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 authorising their representative(s) to attend and vote on their behalf at the meeting.
- xiv) 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.
- xv) All the Shareholder(s) 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 registered address "Alankit Assignments Limited, Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi - 110055". For all other queries, please contact the Company either at the Registered Office of the Company, DLF Prime Towers, 10 Ground Floor, F-79 & 80, Okhla Phase - I, New Delhi - 110020 or by email to investor.grievance@tenneco.com.

- xvi) 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.
- xvii) 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.
- xviii) 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 RTA in writing, for the same

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

Sd/-

**Dr. Khalid Iqbal Khan
Whole-time Director-Legal &
Company Secretary**

Membership No. F5993

**Address: IGF-Emerald Hills Floor-138, Sec.-65 Urban Estate,
Golf Course Extn. Road, Gurugram-122101**

Date : 13th Aug 2019
Place : Gurugram

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 04**

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 and approved by the Members of the Company. The Board of Directors of the Company on the recommendation of the Audit Committee has 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 2019-20 at a remuneration of Rs. 4,95,000/- (Rupees Four Lakh Ninety-five Thousand Only) as audit fee plus applicable tax(es) plus out of pocket expenses. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2019-20 as set out in Item no. 4 for the aforesaid services to be rendered by them.

None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution. The Board of Directors recommend to pass the resolution as set out in Item no.4 as an Ordinary Resolution.

Item No. 05

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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended from time to time, it is proposed to appoint Ms. Nalini Jolly as an Independent Director for a period of 3 (three) years with effect from 13th August, 2019 to 12th August, 2022. The Company has received the notice under Section 160 of the Companies Act, 2013 from a member proposing her candidature as director of the Company.

Ms. Nalini Jolly, aged about 52 years, is a Commerce graduate from Jesus and Merry Collage, Delhi University and has done PGDM from IMT Ghaziabad. She has worked in reputed organisations for over almost 20 years and handled positions of increasing responsibilities in the areas of Strategy & Resource Planning, Sales & Business Development, Supply Chain Management, Training & Mentoring, Service Branding & Marketing, Technical Support Operations, Treasury, Corporate Governance, Board, Legal matters and business role.

Save and except Ms. Nalini Jolly and her 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. 5.

Ms. Jolly has confirmed that she is not disqualified in terms of Section 164 of the Act and she has given her consent to act as Director of the Company.

In the opinion of the Board, Ms. Jolly 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 Ms. Nalini Jolly are available for inspection by members at the Registered Office of the Company. In pursuance of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, the disclosures regarding her appointment are separately provided in this Notice of Annual General Meeting.

Item No. 06

In the meeting of Board of Directors held on 05th November 2018, Mr. Vinod Kumar Hans (DIN: 03328309), was re-appointed as Whole-time Managing Director of the Company.

Mr. Hans, aged about 53 years, has done graduation in Mechanical Engineering from REC Allahabad and post graduation in Business Management from Birla Institute of Management Technology, New Delhi. He has also undertaken one-year leadership and Executive Management Development program with University of Cranefield UK and Cedep, University of Insead, France respectively. Mr. Hans has 32 years of rich experience at various positions in the field of Sales, Engineering and Program Management for OE customers, Aftermarket, Corporate Projects, Product Development and Business Process Restructuring.

Mr. Hans has been associated with the Company since July, 2008. Before being elevated as Managing Director of the Company he was holding the position of Director-Sales. Prior to joining the Company, he was Head of Customer Relation Management in GKN Driveline India Limited and responsible for Sales, Engineering and Performance Management for all OE customers, aftermarket and exports from India.

Save and except Mr. Hans 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. 06.

Mr. Hans is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to be appointed as a Director.

The relevant documents relating to appointment of Mr. Hans 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 appointment of Mr. Vinod Kumar Hans, as Director liable to retire by rotation and propose to pass the resolution set out in Item no. 06 of the notice as a Special Resolution.

Item No. 07

In the meeting of Board of Directors held on 05th November 2018, Mr. Rajesh Sinha (DIN: 07358567), was re-appointed as Whole-time Director of the Company.

Mr. Sinha, aged 49 years, has done Bachelor of Engineering in Mechanical from Bhilai Institute of Technology, Bhilai and Master of Business Administration in Operations from IMT, Ghaziabad. Mr. Sinha has over 23 years of rich experience at senior level positions in Production, IR Management, Quality Assurance, VA& VE, Technical Services, Project Execution in the Automobile industries.

Mr. Sinha has been associated with the Company since 2007. Prior to joining and the Company in 2007, he was holding the position of Dy. General Manager-Corp. Quality & New Initiatives with Gabriel India Limited.

Save and except Mr. Sinha 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. 07.

Mr. Sinha is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to be appointed as a Director.

The relevant documents relating to appointment of Mr. Sinha 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 appointment of Mr. Rajesh Sinha, as Director liable to retire by rotation and propose to pass the resolution set out in Item no. 07 of the notice as a Special Resolution.

Item No. 08

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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended from time to time, it is proposed to re-appoint Mr. Goyal as an Independent Director for a period of 3 (Three) years with effect from 13th August, 2019 to August 12, 2022. The Company has received the notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature as director of the Company.

Mr. Mahendra Kumar Goyal, aged 49 years, is a Chartered Accountant, Company Secretary & Cost Accountant with an Advanced Management Program Certificate from Oxford University. He has been serving Anand Group for over almost 24 years and handled positions of increasing responsibilities in the areas of Finance, Controlling, Treasury, Corporate Governance, Board, Legal matters and business role. Since 2013, he took over business and operational role which currently includes Managing Director of Spicer India Private Limited, overseeing aftermarket sales for the group and managing many joint venture business/relationship.

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. 08.

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. In pursuance of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, the disclosures regarding his appointment are separately provided in this Notice of Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company. Accordingly, the Board recommends the re-appointment of Mr. Goyal and proposes to pass the resolution set out in Item No. 08 as a Special Resolution.

Item No. 09

In the meeting of Board of Directors held on 05th November 2018, Mr. Manish Chadha (DIN: 07195652), was re-appointed as CFO & Finance Director of the Company.

Mr. Chadha, aged about 45 years, is a member of Institute of Chartered Accountants of India. Mr. Chadha has over 19 years of rich experience at in Controlling, Plant Finance Operations, Statutory Reporting and Compliances, Business Analysis, Strategic Planning, Accounts/ MIS, Financial Planning & Budgeting, Cost control, Internal Control and System Implementation in the Automobile industries.

Mr. Chadha has been associated with the Company since 2003 in various senior level positions in the finance department, including that of Group Controller. Prior to joining the Company, he was working with Daweoo Motors India Limited as Manager-Finance.

Save and except Mr. Chadha 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. 09.

Mr. Chadha is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to be appointed as a Director.

The relevant documents relating to appointment of Mr. Chadha 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 appointment of Mr. Manish Chadha, as Director liable to retire by rotation and propose to pass the resolution set out in Item no. 09 of the notice as a Special Resolution.

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

**Sd/-
Dr. Khalid Iqbal Khan
Whole-time Director-Legal &
Company Secretary
Membership No. F5993**

**Address: IGF-Emerald Hills Floor-138, Sec.-65 Urban Estate,
Golf Course Extn. Road, Gurugram-122101**

Date : 13th Aug. 2019
Place : Gurugram

DETAILS OF THE DIRECTORS (IN PURSUANCE OF SECRETARIAL STANDARD-2 AND REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

| | |
|--|---|
| Name of Director | Mr. Rajesh Sinha |
| Original Date of Appointment | 01 st January 2016 |
| Age | 49 yrs (Approx.) |
| Expertise in specific functional areas | Mr. Rajesh Sinha has over 23 years of rich experience at senior level positions in Production, IR Management, Quality Assurance, VA& VE, Technical Services, Project Execution in the Automobile industries. Mr. Sinha has been associated with the Company since 2007. Prior to joining the Company in 2007, he was holding the position of Dy. General Manager-Corp. Quality & New Initiatives with Gabriel India Limited. |
| Qualifications | Mr. Sinha has done Bachelor of Engineering in Mechanical from Bhilai Institute of Technology, Bhilai and Master of Business Administration in Operations from IMT, Ghaziabad. |
| Directorships held in other companies (excluding foreign companies) | 1. Federal-Mogul TPR (India) Limited 2. Anand I-Power Limited |
| Committee position held in other companies | Nil |
| No. of Board meetings attended during the year | 03 |
| No. of shares held | Nil |

| | |
|--|---|
| Name of Director | Mr. Manish Chadha |
| Original Date of Appointment | 05 th February 2016 |
| Age | 45 yrs. |
| Expertise in specific | Mr. Manish Chadha has over 19 years of rich experience in Controlling, Plant Finance Operations, Statutory Reporting and Compliances, Business Analysis, Strategic Planning, Accounts/ MIS, Financial Planning & Budgeting, Cost control, Internal Control and System Implementation in the Automobile industries. Mr. Chadha has been associated with the Company since 2003 in various senior level positions in the finance department, including that of Group Controller of Motorparts business of the Company. Prior to joining the Company, he was working with Daweoo Motors India Limited as Manager-Finance. |
| Qualifications | Chartered Accountant from the Institute of Chartered Accountants of India (ICAI). |
| Directorships held in other companies (excluding foreign companies) | 1. Federal-Mogul TPR (India) Limited 2. Federal-Mogul Anand Bearings India Limited 3. Federal-Mogul Anand Sealings India Limited |
| Committee position held in other companies | 1. Federal-Mogul Anand Bearing India Limited - Audit Committee, Member - Corporate Social Responsibility Committee, Member - Stakeholders' Relationship Committee, Member 2. Federal-Mogul Anand Sealing India Limited - Audit Committee, Member |
| No. of Board meetings attended during the year | 06 |
| No. of shares held | Nil |

DETAILS OF THE DIRECTORS (IN PURSUANCE OF SECRETARIAL STANDARD-2 AND REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

| | |
|--|---|
| Name of Director | Mr. Mahendra Kumar Goyal |
| Original Date of Appointment | 13 th August, 2014 |
| Age | 50 yrs (Approx.) |
| Expertise in specific functional areas | Mr. Mahendra Kumar Goyal has been serving Anand Group for over almost 24 years and handled positions of increasing responsibilities in the areas of Finance, Controlling, Treasury, Corporate Governance, Board, Legal matters and business role. Since 2013, he took over business and operational role which currently includes Managing Director of Spicer India Private Limited, overseeing aftermarket sales for the group and managing many joint venture business/relationship |
| Qualifications | Chartered Accountant, Company Secretary, Cost and Management Accountant and Advance Management Program Certificate from Oxford University. |
| Directorships held in other companies (excluding foreign companies) | <ol style="list-style-type: none"> 1. Federal-Mogul Anand Sealings India Limited 2. Victor Gaskets India Limited 3. Federal-Mogul Anand Bearings India Limited 4. Anand I-Power Limited 5. Valeo Friction Materials India Private Limited 6. Spicer India Private Limited |
| Committee position held in other companies | <ol style="list-style-type: none"> 1. Federal-Mogul Anand Sealings India Limited <ul style="list-style-type: none"> - Audit Committee, Chairman - Stakeholders' Relationship Committee, Chairman 2. Victor Gaskets India Limited <ul style="list-style-type: none"> - Audit Committee, Member - Stakeholders' Relationship Committee, Member - Corporate Social Responsibility Committee, Chairman 3. Federal-Mogul Anand Bearings India Limited <ul style="list-style-type: none"> - Audit Committee, Chairman - Stakeholder Relationship Committee, Member - Corporate Social Responsibility Committee, Member 4. Anand I-Power Limited: <ul style="list-style-type: none"> - Audit Committee, Chairman - Stakeholder Relationship Committee, Member - Nomination & Remuneration Committee, Member 5. Valeo Friction Materials India Private Limited <ul style="list-style-type: none"> - Audit Committee, Chairman - Corporate Social Responsibility Committee, Chairman |
| No. of Board meetings attended during the year | 03 |
| No. of shares held | Nil |

DETAILS OF THE DIRECTORS (IN PURSUANCE OF SECRETARIAL STANDARD-2 AND REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

| | |
|--|--|
| Name of Director | Ms. Nalini Jolly |
| Original Date of Appointment | 13th August 2019 |
| Age | 52 Years |
| Expertise in specific functional areas | Ms. Nalini Jolly has worked in reputed organisations for over almost 20 years and has handled positions of increasing responsibilities in the areas of Strategy & Resource Planning, Sales & Business Development, Supply Chain Management, Training & Monitoring, Service Branding & Marketing, Technical Support operations. |
| Qualifications | B. Com (Honours from Jesus and Mary College, Delhi University and PGDM from IMT Ghaziabad. |
| Directorships held in other companies (excluding foreign companies) | Nil |
| Committee position held in other companies | Nil |
| No. of Board meetings attended during the year | Nil |
| No. of shares held | Nil |

| | |
|---|--|
| Name of Director | Mr. Vinod Kumar Hans |
| Original Date of Appointment | 01st January 2016 |
| Age | 53 yrs (Approx.) |
| Expertise in specific functional areas | Mr. Vinod Kumar Hans, is a Graduate in Mechanical Engineering from REC Allahabad and Post Graduate in Business Management from Birla Institute of Management Technology, New Delhi. He has also undertaken one-year leadership and Executive Management Development program with University of Cranefield UK and Cedep, University of Insead, France respectively. Mr. Hans has 32 years of rich experience at various positions in the field of Sales, Engineering and Program Management for OE customers, Aftermarket, Corporate Projects, Product Development and Business Process Restructuring. Mr. Hans has been associated with the Company since July, 2008. Before being elevated as Managing Director of the Company he was holding the position of Director-Sales. Prior to joining the Company, he was Head of Customer Relation Management in GKN Driveline India Limited and responsible for Sales, Engineering and Performance Management for all OE customers, aftermarket and exports from India. |
| Qualifications | Graduation in Mechanical Engineering from REC Allahabad and post graduation in Business Management from Birla Institute of Management Technology, New Delhi. He has also undertaken one-year leadership and Executive Management Development program with University of Cranefield UK and Cedep, University of Insead, France respectively. |

DETAILS OF THE DIRECTORS (IN PURSUANCE OF SECRETARIAL STANDARD-2 AND REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

Directorships held in other companies (excluding foreign companies)

1. Federal-Mogul Ignition Products India Limited
2. Federal-Mogul TPR (India) Limited
3. Federal-Mogul Anand Sealings India Limited
4. Federal-Mogul Anand Bearings India Limited

Committee position held in other companies

- 1. Federal-Mogul TPR (India) Limited**
 - Corporate Social Responsibility Committee, Chairman
- 2. Federal-Mogul Anand Bearings India Limited**
 - Audit Committee, Member
 - Stakeholder Relationship Committee, Chairman
 - Corporate Social Responsibility Committee, Chairman
- 3. Federal-Mogul Ignition Products India Limited :**
 - Audit Committee, Chairman
 - Nomination & Remuneration Committee, Member
 - Corporate Social Responsibility Committee, Chairman
- 4. Federal-Mogul Anand Sealings India Limited**
 - Audit Committee, Member
 - Stakeholder Relationship Committee, Member
 - Share Transfer Committee, Member

No. of Board meetings attended during the year 06

No. of shares held Nil

Date : 13th Aug 2019

Place : Gurugram

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

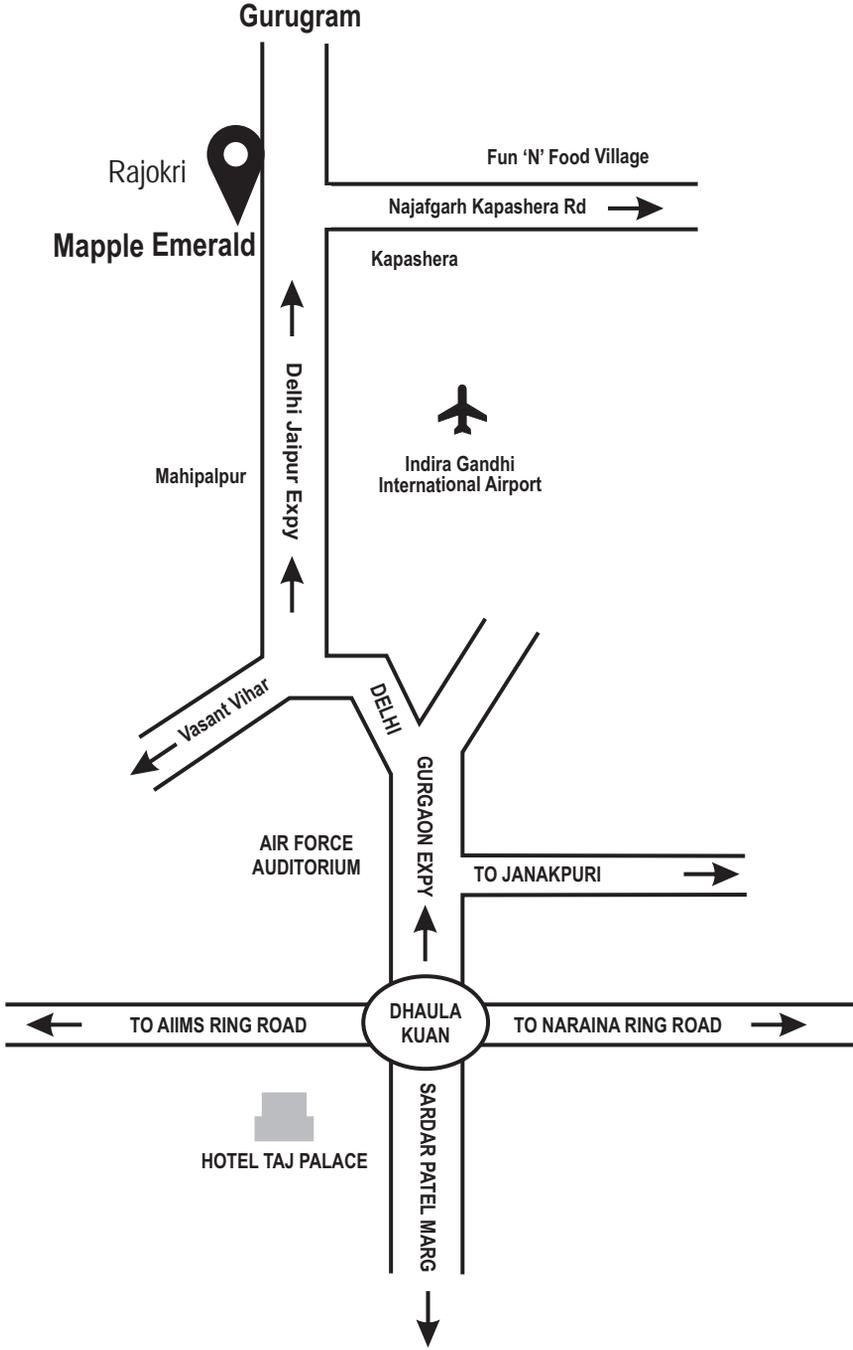
Sd/-

**Dr. Khalid Iqbal Khan
Whole-time Director-Legal &
Company Secretary**

Membership No. F5993

**Address: IGF-Emerald Hills Floor-138, Sec.-65 Urban Estate,
Golf Course Extn. Road, Gurugram-122101**

**Route Map to the venue of the 64th AGM of
Federal-Mogul Goetze (India) Limited**



Venue: Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038
Landmark: Bharat Petroleum, Petrol Pump

DIRECTORS' REPORT

Your Directors are pleased to present the 64th Annual Report and Audited Financial Statement of Accounts for the financial year ending 31st March, 2019.

FINANCIAL RESULTS

[Rs. in lacs]

| Particulars | 1 st April 2018 to 31 st March 2019 | 1 st April 2017 to 31 st March 2018 |
|---|--|--|
| Gross Sales (including other operating income) | 131,897.90 | 133,733.31 |
| Other income | 2,849.34 | 2,487.99 |
| Total Income | 134,747.24 | 136,221.30 |
| Operating profit before finance charges, depreciation and exceptional item | 21,868.40 | 21,641.33 |
| Finance Charges | 874.30 | 1,020.06 |
| Depreciation | 8,151.33 | 7,343.32 |
| Exceptional items | - | - |
| Net Profit before tax | 12,842.77 | 13,277.95 |
| Provision for the Taxation: | | |
| Current Tax | 4,231.16 | 4,650.00 |
| Less: Deferred Tax | 360.76 | 332.99 |
| Profit after tax | 8,250.85 | 8,294.96 |
| Other comprehensive income (net of taxes) | 304.12 | 239.23 |
| Total Comprehensive income | 8,554.97 | 8,534.19 |
| Profit brought forward from last year | 31,415.29 | 22,881.10 |
| Surplus / (loss) carried forward to Balance sheet | 39,970.26 | 31,415.29 |

OPERATIONS

During the financial year, the Gross sale of the Company was Rs. 131,897.90 lakhs as against Rs. 133,733.31 lakhs for the financial year ended 31st March 2018. The Total income of the Company was Rs. 134,747.24 lakhs as against Rs. 136,221.30 lakhs for the financial year ended 31st March 2018.

During the year under review, the Company made a net profit after tax of Rs. 8,554.97 lakhs as against the net profit after tax of Rs. 8,534.19 lakhs for the financial year ended 31st March 2018.

No amount is proposed to be transferred to general reserves. An amount of Rs. 8,554.97 lakhs is proposed to be retained in the Statement of Profit and Loss.

In view of requirement of funds for the operations of the Company, no dividend is recommended for the financial year ended 31st March, 2019.

NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

The details of the number of Board and Audit Committee meetings held and attended by directors/members and composition of Audit Committee of the Company are set out in the Corporate Governance Report which forms part of this Report as **Annexure-1**. The report, inter alia includes the list of credit ratings obtained along with any revisions thereto for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the entity involving mobilization of funds.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with

proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2019 and of the profit and loss of the Company for the financial year ended 31st March 2019;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors have laid down internal financial controls to be followed by the

Company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming the independence as per the criteria prescribed under section 149(6) of Companies Act, 2013 read with the Schedules and Rules made thereunder as well as Regulation 16(1)(b) and 25 (8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, adopted a policy for selection and appointment (including the criteria for determining qualifications, positive attributes, independence of directors) and remuneration of Directors including Independent Directors, Key Managerial Personnel, Senior Management Personnel and other employees. The Nomination & Remuneration Policy is attached as Annexure - 2.

EXPLANATIONS OR COMMENTS ON AUDITOR'S QUALIFICATION/ RESERVATION/ ADVERSE REMARKS/ DISCLAIMER

There is no reservation or observation or qualification or adverse remark or disclaimer of Auditors' including Secretarial Auditors' of the Company in their report.

MATERIAL CHANGES

Tenneco Inc., headquartered in Lake Forest, Illinois, United States of America completed the acquisition of Federal-Mogul LLC, the ultimate holding company of the Company, on October 1, 2018 and Federal-Mogul LLC was merged with Tenneco Inc.

On April 16, 2018, Tenneco Inc. through M/s KCP Financial Services Private Limited ("Manager to the Open Offer" of Tenneco Inc.) made a Public Announcement to the eligible public shareholders of the

Company, followed by a Detailed Public Statement dated 9th October, 2018. In this regard, the Draft letter of offer dated October 16, 2018 was filed by Tenneco Inc., with the Securities and Exchange Board of India. The relevant disclosures, as required by law had been made from time to time to NSE & BSE.

LOANS AND INVESTMENTS

During the Financial Year ended 31st March, 2019; no Loan, Investment and Guarantee u/s 186 of the Companies Act, 2013 was made by the Company.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2018-19, the Company has entered into related party transactions in terms of the Companies Act, 2013 read with rules made thereunder and regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which were in the ordinary course of business and on arms' length basis.

During the financial year 2018-19, there were no transactions with related parties which qualified as material transactions in accordance with the Company's Policy under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly, the disclosure of Related Party Transactions in Form AOC-2 is not applicable. Pursuant to Regulation 33 (3)(g) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure of Related Party Transactions will be uploaded on the website of your Company (www.federalmogulgoetzeindia.net) on half yearly basis.

The transaction with promoter/ promoter group entities holding 10 percent or more shareholding are disclosed as notes to the financial statement (Note No. 40), other than which there are no other transactions.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standard's i.e. SS-1 and SS-2 relating to "Meeting of the Board of Directors" and "General Meetings" respectively have been duly followed by the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with rules made thereunder, is set out herewith as Annexure-3 to this Report.

RISK MANAGEMENT POLICY

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. Therefore, pursuant to the requirements of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee. The Company has also developed and implemented the Risk Management Policy covering the process of identifying, assessing, mitigating, reporting and review of critical risks impacting the achievement of Company's objectives or threaten its existence.

There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Risk Management Policy of the Company.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 the Company in its Board Meeting held on 29th July 2016 had approved the Dividend Distribution Policy. The Dividend Distribution Policy of the Company is attached herewith as Annexure-4 to this Report.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors at its meeting held on 09th May 2014 approved the Corporate Social Responsibility (CSR) Policy for the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder, on the recommendations of the CSR Committee.

The Company has constituted Corporate Social Responsibility (CSR) Committee. Presently, the committee comprises the following members :-

- 1) Mr. Vinod Kumar Hans, Chairman
 - 2) Dr. Khalid Iqbal Khan, Member
 - 3) Mr. KN Subramaniam, Member
 - 4) Mr. K C Sundareshan Pillai, Member
- The Corporate Social Responsibility Committee is required to 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 atleast 2% of the average profits of the company during the previous 3 financial years on CSR activities. Therefore, the Company has incurred the total allocated budget of Rs. 212.35 lakhs on the CSR activities approved by CSR Committee and the Board of Directors.

The activities and initiatives undertaken by the Company during the financial year 2018-19 on CSR activities have been detailed in the Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy on Corporate Social Responsibility and Annual Report on CSR activities are attached herewith as Annexure- 5&6 to this Report.

In accordance with the provisions of section 135 of the Companies Act 2013, the Board has approved an amount of Rs. 250.86 lakhs for spending on CSR activities during the financial year 2019-20.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Presently, the Board consists of Eleven (11) directors comprising of Mr. K.N. Subramaniam, Chairman and Non-executive Independent Director; Mr. Vinod Kumar Hans, Whole-time Managing Director; Dr. Khalid Iqbal Khan, Whole Time Director-Legal & Company Secretary; Mr. Manish Chadha, CFO & Finance Director, Mr. Rajesh Sinha, Whole-time Director; Mr. Mukul Gupta, Non-executive Independent Director; Mr. Sunit Kapur, Non-Executive Director; Mr. Mahendra Kumar Goyal, Non-executive Independent Director; Ms. Janice Ruskey Maiden, Non-Executive Director, Mr. K C

Sundareshan Pillai, Non-executive Independent Director and Ms. Nalini Jolly, Non-Executive Women Independent Director.

In accordance with Article 109 of the Articles of Association of the Company, Mr. Rajesh Sinha and Mr. Manish Chadha are retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

In accordance with the provisions of Section 149 of Companies Act, 2013 and other applicable provisions, Ms. Nalini Jolly has been appointed as an Independent Woman Director on the Board for a period of 3 (three) years with effect from 13th August, 2019 till 12th August, 2022.

Brief resume, nature of expertise, details of directorships held in other companies excluding foreign companies of the Directors proposed to be appointed / reappointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 and 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is appended as an Annexure to the Notice of the ensuing AGM.

The Company has received the declaration by all the independent directors of the Company that they meet the legal criteria of independence.

SUBSIDIARY AND ASSOCIATE COMPANY

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts of Companies) Rules, 2014, a statement containing salient features of financial statement of subsidiary i.e. Federal-Mogul TPR (India) Limited forms part of the consolidated financial statements attached as Annexure-7. The financial statements of the subsidiary company and related information are available for inspection at the Registered Office of the subsidiary company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered

Office of the Company. The financial statements including the consolidated financial statements, financial statements of subsidiary and all other documents required to be attached to this report have been uploaded on the website of your Company (www.federalmogulgoetzeindia.net).

The performance and financial position of the subsidiary company i.e. Federal-Mogul TPR (India) Limited have been explained in its Board Report, which forms part of annual report.

PUBLIC DEPOSITS

As at 31st March, 2019 your Company had no unclaimed fixed deposits. No fresh/ renewed deposits were invited or accepted during the financial year.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

FORMAL ANNUAL EVALUATION BY BOARD

In terms of provisions of the Companies Act, 2013 read with Rules made thereunder and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, had evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March 2019. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Meetings, knowledge and skills, understanding of their roles and responsibilities, business of the Company along with the ethics and integrity. The evaluation of the Board and committees was inter alia based on the aspects like Structure of the Board or Committee, processes being followed to achieve the objectives, effectiveness, fulfillment of roles and responsibilities, efficiency and direction etc.

DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

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 as per Regulation 18(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

MANAGEMENT DISCUSSION AND ANALYSIS:

(a) Industry structures and developments

Automotive Industry, globally, as well as in India, is one of the key sectors of the economy. The Indian auto industry is highly competitive, consisting of organized as well as unorganized sectors and is highly fragmented with a significant number of small and medium-sized companies. Innovation, technological upgradation and cost saving hold the key to success in the highly competitive and challenging market.

During the financial year 2018-19, the industry produced a total 30,915,420 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycle as against 29,094,447 in April-March 2018, registering a growth of 6.26 percent over the same period last year.

The domestic sale of Passenger Vehicles grew by 2.7 percent in April-March 2019 over the same period last year. The overall Commercial Vehicles segment grew by 17.55 percent in April-March 2019 as compared to the same period last year. Medium & Heavy Commercial Vehicles

(M&HCVs) grew by 14.66 percent and Light Commercial Vehicles grew by 19.66 percent in April-March 2019 over the same period last year.

Three Wheelers domestic sales grew by 10.27 percent in April- March 2019 over the same period last year. Within the Three Wheelers, Passenger Carrier & Goods Carrier sales registered a growth of 10.62 percent and 8.75 percent respectively in April-March 2019 over April-March 2018.

Two Wheelers sales registered a growth at 4.86 percent in April-March 2019 over April-March 2018. Within the Two Wheelers segment, Scooters declined by (-) 0.27 and Motorcycles grew by 7.76 percent, while Mopeds grew by 2.41 percent in April-March 2019 over April-March 2018.

In April-March 2019, overall automobile exports increased by 14.50 percent. Two and Three Wheelers Segments registered a growth of 16.55 percent and 49.00 percent respectively, while Passenger Vehicles declined by (-) 9.64 percent and Commercial Vehicles grew by 3.17 percent in April-March 2019 over the same period last year.

The Government's clear vision of making India an automobile hub along with initiatives like 'Make in India', 'Automotive Mission Plan 2026, Ease of doing Business, "Start-up India", "Smart Cities", "Skill India", "Digital India", etc. are expected to give a boost to the auto sector. A predicted increase in India's working-age population is likely to help stimulate the market for private vehicles. Rising prosperity, easier access to finance and increasing affordability are expected to see four-wheelers gaining volumes, although two wheelers will remain the primary choice for the majority of purchasers, buoyed by greater appetite from rural areas, the youth market and women.

(b) Opportunities and Threats

The parent company 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, which will give it a competitive edge in the market.

Major regulatory interventions, such as the accelerated transition from BS IV to BS VI, adoption of electric vehicles, safety rules and stringent vehicle standards are leading to a shift in vehicle technology, This is creating significant challenges and your Company perceives these challenges as potential opportunities.

Your 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. Further, the policies of the Government play a key role in the development of the automobile sector. Your Company has been employing the 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

The Company deals principally in only one segment i.e. automotive components. Therefore, segment-wise performance is not applicable. The Company is inter alia engaged in the manufacturing and sale of Pistons, Piston rings, Pins, valve seats and guides the performance whereof is as under:

| Details of finished goods sold | Rs. In lacs | |
|---------------------------------------|-----------------------------|-----------------------------|
| | 31 st March 2019 | 31 st March 2018 |
| Pistons, | 115,311.90 | 116,112.22 |
| Piston rings and pistons pins* | | |
| Valve train and Structural components | 12,561.06 | 10,685.79 |

(d) Outlook

The Management expects a muted growth in the automobile industry during the year 2019-20. The Indian Meteorological Department has forecasted normal monsoon, which is a critical factor for the overall economic growth, including the automobile sector. Focus of the Government on the investment in infrastructure sector and its development and low interest rates are expected to give boost to the automobile sector. However, vehicle market fuel mix change from diesel to gasoline and CNG powertrain will impact auto component content per vehicle (CPV), the increased cost of technology and increasing fuel prices are likely to impact the growth of the automobile sector. Therefore, it's likely to be a mixed year for the auto component industry ahead.

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.

Increasing competition: Increasing competition in the auto equipment sector, may put some pressure on the 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 underutilization 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 as per provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

(g) Discussion on financial performance with respect to operational performance.

The required information forms part of in the Board's Report and the members may refer the same.

(h) Significant changes in Financial Ratios

- During the year, there was no significant change in the financial ratios compared to the previous year.
- The details of return on net worth at standalone and consolidated levels are given below:

| Particulars | Stand alone 2019 | Stand alone 2018 | Consolidated 2019 | Consolidated 2018 |
|-------------------------|------------------|------------------|-------------------|-------------------|
| Return on net worth (%) | 19.27 | 22.54 | 18.97 | 22.15 |
| Explanation | | | | |

(I) Material developments in Human Resources / Industrial Relations front, including number of people employed

The overall Industrial Relations situation is congenial and there has been lots of employee engagement program initiated to keep the morale up of the employees. The employees in the organisation at all levels have demonstrated commitment and ownership. There has been lots of PIP (Productivity Improvement Projects) running across the organisation. There have been initiatives involving families of employees to make the bonding strong.

People development continued to remain a top priority for the organisation. Focus remained on functional skill building and building capabilities of the second line of leadership. Academies of excellence were launched in the areas of Purchasing and Supply Chain. A number of critical 'Cross Functional Projects' were launched to promote collaboration and further strengthen accountability and ownership amongst the leaders. Concerted efforts to enhance employee productivity through job enrichments and enlargements are ongoing. Preparations for the union settlements in Bangalore and Patiala are going on smoothly.

The total number of salaried and hourly employees (permanent) as at March 31, 2019 stood at 3544.

CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of the Company for the financial year 2018-19, are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standards (Ind AS) under the historical cost

convention on the accrual basis except for certain financial instruments which are measured at fair values and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Consolidated Financial Statements have been prepared on the basis of Audited Financial Statements of the Company and its subsidiary company, as approved by their respective Board of Directors.

ABRIDGED FINANCIAL STATEMENTS

In terms of the provisions of regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and section 136 of the Companies Act, 2013, the Board of directors has decided to circulate the abridged annual report containing the salient features of the balance sheet and statement of profit and loss account to the shareholders for the financial year ending on March 31, 2019. 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 any shareholder wishes to receive a printed copy of such communications, he/she may send a request to the Company, which will send a printed copy of the communication to the shareholder.

AUDITORS AND AUDITORS' REPORT

At the 63rd AGM of the Company, M/s. Walker Chandiook & Co., LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013), New Delhi were appointed as the Statutory Auditors' as per section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, to hold office till the conclusion of the 67th AGM of the Company to be held in the calendar year 2022.

The written consent to such appointment and a certificate from M/s Walker, Chandiook & Co., LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013), have 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 has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory.

COST AUDITORS

The Board, on the recommendation of the Audit Committee has approved the appointment of M/s. Sanjay Gupta & Associates, Cost Accountants, as Cost Auditor, for the financial year ending March 31, 2020. The Cost Auditors will submit their report for the financial year ending 31st March 2020 on or before the due date.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with rules made thereunder, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by shareholders at the forthcoming AGM.

SECRETARIAL AUDITORS

The Company had appointed M/s. Deepika Gera, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2019. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed as Annexure-8 to this report. The Board has reappointed M/s. Deepika Gera, Company Secretaries, New Delhi, as Secretarial Auditor of the Company for FY 2019-20.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the corporate governance practices followed by the Company and a certificate of compliance from Mr. Surinder Vashishtha, Proprietor of Surinder Vashishtha & Associates, Company Secretary, forms part of this Report as Annexure-9.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in form MGT-9 as per section 134(3)(a) of the Companies Act, 2013 read with rule 12 of the Companies (Management & Administration) Rules, 2014 is attached as Annexure-10 to this report.

BUSINESS RESPONSIBILITY REPORT

A Business Responsibility Report as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailing the various initiatives of the Company is attached as Annexure - 11.

COMMITTEES OF DIRECTORS

The Company has following committees of Directors:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee;
5. Share Transfer Committee;
6. Risk Management Committee

The composition of Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee has been disclosed in corporate governance report forming the part of this report.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITOR'S UNDER SECTION 143 (12) OF THE COMPANIES ACT, 2013

Pursuant to Section 134(3)(ca), no incident of fraud has been reported by the Auditors of the Company under section 143(12) of the Companies Act, 2013.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them.

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 and an Internal Complaints Committee 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 2018-19.

No. of complaints received: Nil

No. of complaints disposed off: Nil

During the year, the Company carried out awareness programmes on prevention of sexual harassment at work place.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in **Annexure – 13 & 14** to this Report.

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 permanent salaried and hourly paid employees, as at March 31, 2019, stood at 3544.

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.

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 of Directors of
Federal-Mogul Goetze (India) Limited

Date: 13th Aug 2019
Place: Gurugram

Vinod Kumar Hans
Whole Time Managing Director
DIN : 03328309

Dr. Khalid Iqbal Khan
Whole Time Director- Legal & Company Secretary
DIN : 05253556

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019
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 Board of Directors always endeavours 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 rights of all the 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 11 (Eleven) Directors on its Board, out of which 07 are Non-Executive Directors (including 01) Non Executive Woman Director and (01) Women Independent Director and 04 are Executive Directors. Moreover, 05 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.

Ms. Nalini Jolly was appointed as an Independent Director on the Board of the Company with effect from 13th August, 2019 for a period of 3 (three) years.

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.

The Directors have no inter-se relationship with any other director of the Company.

b) Details of Board Meetings held during the year 1st April, 2018 to 31st March, 2019:

During the year, six Board meetings were held as follows: -

| Date of Meeting | Board Strength | No. of Directors Present in Person |
|------------------------|-----------------------|---|
| 16th April 2018 | 10 | 06 |
| 29th May 2018 | 10 | 08* |
| 31st July 2018 | 10 | 05 |
| 10th October 2018 | 10 | 06 |
| 05th November 2018 | 10 | 06 |
| 11th February 2019 | 10 | 08** |

*Includes presence of Mr. Mahendra Kumar Goyal who attended the meeting through audio visual means.

**Includes presence of Mr. Rajesh Sinha and Ms. Janice Ruskey Maiden who attended the meeting through audio visual means.

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/Half Yearly/Yearly results for the company and its operating divisions or business segments;
- Minutes of meetings of audit committee and other committees of the board of directors;
- 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 appointed/re-appointed is as under:

Mr. Rajesh Sinha, Whole-time Director and Mr. Manish Chadha, Whole-time Director are liable to retire by rotation in the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. Items regarding their re-appointment has been included in the notice of the ensuing Annual General Meeting.

- Mr. Rajesh Sinha, aged about 49 years, has done Bachelor of Engineering in Mechanical from Bhilai Institute of Technology, Bhilai and Master of Business Administration in Operations from IMT, Ghaziabad. He has over 23 years of experience in Production, IR management, Quality Assurance, VA & VE, Technical Services, Project execution in automotive/automobile industries and has been associated with the Company since February 2007. Prior to joining the Company, Mr. Sinha was Dy. General Manager-Corp. Quality and New Initiatives in Gabriel India Limited.
- Mr. Manish Chadha, aged about 45 years, is a Member of the Institute of Chartered Accountants of India. He has over 19 years of experience in the areas of Controlling, Plant Finance Operations, statutory reporting and compliances, business analysis, strategic planning, accounts/MIS, financial planning and budgeting, cost control, internal control and system implementation fields. He has been associated with the Company since 2003. Prior to joining the Company, Mr. Chadha was working with Daweoo Motors India Limited as Manager-Finance.
- Mr. Mahendra Kumar Goel, aged about 49 years, is a Chartered Accountant, Company Secretary & Cost Accountant with an Advanced Management Program Certificate from Oxford University. He has been serving Anand Group for over almost 24 years and handled positions of increasing responsibilities in the areas of Finance, Controlling, Treasury, Corporate Governance, Board, Legal matters and business role. Since 2013, He took over business and operational role which currently includes Managing Director of Spicer India Private Limited, overseeing aftermarket sales for the group and managing many joint venture business/relationship.
- Mr. Vinod Kumar Hans, aged about 53 years, has done graduation in Mechanical Engineering from REC Allahabad and post-graduation in Business Management from Birla Institute of Management Technology, New Delhi. He has also undertaken one-year leadership and Executive Management Development program with University of Crane field UK and Cedep, University of Insead, France, respectively. Mr. Hans has 32 years of rich experience at various positions in the field of Sales, Engineering and Program Management for OE customers, Aftermarket, Corporate Projects, Product Development and Business Process restructuring.

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

| Name of the Director | Category | For the year from 1 st April, 2018 to 31 st March, 2019 Attendance at | | As on 31 st March, 2019 | | |
|------------------------------------|-----------|---|--------------------------------------|--|--|----------|
| | | | | Number of Directorships of other Indian Companies (Note-1) | Committee Memberships of other Indian Companies (Note-2) | |
| | | Board Meeting (Total Meetings Held-06) | Last AGM 20 th Sept. 2018 | | Member | Chairman |
| Mr. Krishnamurthy Naga Subramaniam | CNEID | 06 | Yes | 02 | 02 | 01 |
| Mr. Vinod Kumar Hans | WTMD | 06 | Yes | 05 | 03 | 03 |
| Dr. Khalid Iqbal Khan | WTDL & CS | 06 | Yes | 03 | 02 | 00 |
| Mr. Manish Chadha | CFO & FD | 06 | Yes | 03 | 03 | 00 |
| Mr. Rajesh Sinha | WTD | 03 | Yes | 01 | 00 | 00 |
| Mr. Sunit Kapur | NED | 01 | No | 01 | 00 | 00 |
| Mr. K.C. Sundareshan Pillai | NEID | 01 | No | 00 | 00 | 00 |
| Ms. Janice Ruskey Maiden | NED | 01 | No | 00 | 00 | 00 |
| Mr. Mukul Gupta | NEID | 06 | Yes | 01 | 00 | 00 |
| Mr. Mahendra Kumar Goyal | NEID | 03 | No | 04 | 04 | 04 |

| | |
|------------|---|
| CNEID: | Chairman and Non-Executive Independent Director |
| NEID: | Non-Executive Independent Director |
| WTMD: | Whole-time Managing Director |
| CFO & FD: | Chief Financial Officer & Finance Director |
| NED: | Non-Executive Director |
| WTDL & CS: | Whole-time Director-Legal & Company Secretary |
| WTFD: | Whole-time Finance Director |

Note-1: The above excludes Foreign Companies.

Note-2: The committee membership and chairmanship include Audit and Stakeholders' Relationship Committee in all Public Limited Companies.

e) Details of the listed entities in which the director holds the directorship and their category:

| Sr. No. | Name of Director | No. of Directorships in Indian Listed Companies [other than Federal-Mogul Goetze (India) Ltd.] | Name of listed entities | Category of directorship |
|---------|------------------------------------|--|-------------------------|--------------------------|
| 1. | Mr. Krishnamurthy Naga Subramaniam | Nil | NA | NA |
| 2. | Mr. Vinod Kumar Hans | Nil | NA | NA |
| 3. | Dr. Khalid Iqbal Khan | Nil | NA | NA |
| 4. | Mr. Manish Chadha | Nil | NA | NA |
| 5. | Mr. Rajesh Sinha | Nil | NA | NA |
| 6. | Mr. Sunit Kapur | Nil | NA | NA |
| 7. | Mr. K.C. Sundareshan Pillai | Nil | NA | NA |
| 8. | Ms. Janice Ruskey Maiden | Nil | NA | NA |
| 9. | Mr. Mukul Gupta | 01 | Panacea Biotec Ltd. | NEID |
| 10. | Mr. Mahendra Kumar Goyal | Nil | NA | NA |

f) Declaration by Board of Directors:

The Board of Directors is of the opinion that the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

g) List of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sectors for it to function efficiently:

| Sr. No. | Name of the Director | Core skills/ expertise/ competencies |
|----------------|------------------------------------|---|
| 1. | Mr. Krishnamurthy Naga Subramaniam | He has extensive knowledge and rich experience of Indian Automotive Industry. |
| 2. | Mr. Vinod Kumar Hans | Mr. Hans has 29 years of rich experience at various positions in the field of Sales, Engineering and Program Management for OE customers, Aftermarket, Corporate Projects, Product Development and Business Process restructuring. |
| 3. | Dr. Khalid Iqbal Khan | He has around 27 years of rich experience at senior level positions in the legal field. |
| 4. | Mr. Manish Chadha | He has over 19 years of rich experience in Controlling, Plant Finance Operations, Statutory Reporting and Compliances, Business Analysis, Strategic Planning, Accounts/ MIS, Financial Planning & Budgeting, Cost control, Internal Control and System Implementation in the Automobile industries. |
| 5. | Mr. Rajesh Sinha | He has over 23 years of rich experience at senior level positions in Production, IR Management, Quality Assurance, VA & VE, Technical Services, Project Execution in the Automobile industries. |
| 6. | Mr. Sunit Kapur | He has around 25 years of rich experience in Manufacturing, Engineering, Projects, TPM, Operation, Supply Chain Management and General Management. |
| 7. | Mr. K.C. Sundareshan Pillai | Mr. Pillai has 32 years of rich experience in steering sales and marketing functions and technical areas with various companies. |
| 8. | Ms. Janice Ruskey Maiden | 37 years of rich experience in technology exploration, product and business development. |
| 9. | Mr. Mukul Gupta | He is a tax expert with rich experience in the field of Sales Tax, Work Contract Tax, VAT, Service Tax and GST. |
| 10. | Mr. Mahendra Kumar Goyal | Mr. Goyal holds 24 years of rich experience handling positions of increasing responsibilities in the areas of Finance, Controlling, Treasury, Corporate Governance, Board, Legal matters and business role. |

3. AUDIT COMMITTEE

a) Terms of Reference

The current terms of reference of the Audit Committee fully conform to the requirements of regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013. These 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 Chairperson

Presently, the Audit Committee comprises three Non-Executive Independent Directors and one Non-Executive Director viz. Mr. Mukul Gupta, Chairman (Non-Executive Independent Director), Mr. Krishnamurthy Naga Subramaniam, Member (Non-Executive Independent Director), Mr. K.C. Sundareshan Pillai, Member (Non-Executive Independent Director) and Mr. Sunit Kapur, 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 April, 2018 to 31st March, 2019

| Date of Meeting | Strength of Committee | No. of Members Present in person |
|----------------------------|-----------------------|----------------------------------|
| 29th May 2018 | 04 | 03 |
| 31 st July 2018 | 04 | 02 |
| 05th November 2018 | 04 | 02 |
| 11th February 2019 | 04 | 03 |

Audit Committee Members Attendance during the financial year 1st April, 2018 to 31st March, 2019

| Name | Total Meetings held | No. of meetings Attended in person |
|------------------------------------|---------------------|------------------------------------|
| Mr. Mukul Gupta (Chairman) | 04 | 04 |
| Mr. Krishnamurthy Naga Subramaniam | 04 | 04 |
| Mr. K.C. Sundareshan Pillai | 04 | 01 |
| Mr. Sunit Kapur | 04 | 01 |

4. RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of the Listing Regulations, as amended from time to time with effect from 1st April, 2019.

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company. The Committee is responsible for reviewing the Risk Management Plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigation actions on a continual basis.

The composition of the Risk Management Committee is as under:

1. Mr. Vinod Kumar Hans, Chairman
2. Mr. Khalid Iqbal Khan, Member
3. Mr. Manish Chadha, Member

5. NOMINATION AND REMUNERATION COMMITTEE

At present, the Nomination and Remuneration Committee of the Company comprises Mr. Mukul Gupta (Non-executive Independent Director) as the Chairman, Mr. K.C. Sundareshan Pillai (Non-executive Independent Director), Mr. Krishnamurthy Naga Subramaniam (Non-executive Independent Director) and Mr. Sunit Kapur (Non-executive Director) 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 senior management personnel. 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 regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 April, 2018 to 31st March, 2019

| Date of Meeting | Strength of Committee | No. of Members Present in person | No. of Members Present through conference call |
|---------------------------------|-----------------------|----------------------------------|--|
| 29 th May 2018 | 03 | 02 | 00 |
| 05 th November 2018 | 04 | 02 | 00 |
| 11 th February, 2019 | 04 | 03 | 00 |

| Name | Total Meetings held | No. of meetings Attended in person |
|------------------------------------|---------------------|------------------------------------|
| Mr. K.C. Sundareshan Pillai | 03 | 01 |
| Mr. Krishnamurthy Naga Subramaniam | 03 | 03 |
| Mr. Sunit Kapur | 03 | 01 |
| Mr. Mukul Gupta | 03 | 02 |

Performance Evaluation criteria for Independent Directors

The Company has formulated the Nomination & Remuneration Policy. The criteria forevaluation of Independent Directors is as follows:

- Preparation for Board and Committee Meetings;
- Devotion of time and efforts to understand the business of the Company;
- Chairman's performance and behavior in the Board and Committee meetings;
- Relationship with Board members and senior management;
- Understanding of requirements of governance, regulatory, financial, fiduciary and ethical requirements of the Board/Committee;
- Updation of knowledge and skills with latest developments in the areas such as corporate governance framework, financial reporting and the industry and market condition;
- Standard of ethics and integrity;

The Board of Directors evaluated the performance of the Independent Directors, in its meeting held on 29th May, 2018.

6. DETAILS OF REMUNERATION TO DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2019

| Name of Executive Directors | Particulars | Amount (in Rs.) |
|------------------------------------|---|------------------------|
| Mr. Vinod Kumar Hans | - Salaries and Allowances | 11,996,917 |
| | - Company's Contribution to PF & Superannuation | 913,220 |
| | - Perquisites | - |
| | - Management Incentive Plan | 4,418,902 |
| | Total | 17,329,039 |
| Mr. Rajesh Kumar Sinha | - Salaries and Allowances | 8,061,853 |
| | - Company's Contribution to PF & Superannuation | 598,950 |
| | - Perquisites | - |
| | - Management Incentive Plan | 1,750,756 |
| | Total | 10,411,559 |
| Mr. Manish Chadha | - Salaries and Allowances | 7,155,600 |
| | - Company's Contribution to PF & Superannuation | 526,011 |
| | - Perquisites | - |
| | - Management Incentive Plan | 1,512,999 |
| | Total | 9,194,610 |
| Dr. Khalid Iqbal Khan | - Salaries and Allowances | 6,655,408 |
| | - Company's Contribution to PF & Superannuation | 294,030 |
| | - Perquisites | - |
| | - Management Incentive Plan | 1,436,818 |
| | Total | 8,386,256 |

| Name of Non-Executive Directors | Particulars | Amount (in Rs.) |
|--|--------------------|------------------------|
| Mr. Mahendra Kumar Goyal | - Sitting Fee | 60,000 |
| Mr. Krishnamurthy Naga Subramaniam | - Sitting Fee | 1,360,000 |
| Mr. Mukul Gupta | - Sitting Fee | 1,360,000 |
| Mr. K.C. Sundareshan Pillai | - Sitting Fee | 100,000 |

Notes:

1. The Company did not pay remuneration to Non-Executive Directors, except sitting fees to Non-executive Independent Directors, during the year. There are no other pecuniary relationships or transactions with the Company.
2. The Company does not have any stock option scheme.
3. The Non-executive directors do not have any pecuniary relationship or transactions among themselves.

7. 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. Krishnamurthy Naga Subramaniam | Chairman | Non-Executive Independent Director |
| Mr. Vinod Kumar Hans | Member | Whole-time Managing Director |
| Mr. Sunit Kapur | Member | Non- Executive Director |
| Dr. Khalid Iqbal Khan | Member | Whole Time Director- Legal & Company Secretary* |
| Mr. K.C. Sundareshan Pillai | Member | Non- Executive Independent Director |

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

• Shareholders' Complaints:

| Number of shareholders' complaints received | Number of shareholders' complaints not solved to the satisfaction of shareholders | Number of pending complaints |
|---|---|------------------------------|
| 00 | 00 | 00 |

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

SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors of the Company was held on 28th February, 2019, to interalia:

- review the performance of non-independent directors and Board as a whole;
- review the performance of the Chairperson of the Company, taking into 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.

Leave of absence was granted to Mr. Mahendra Kumar Goyal on their request.

8. ANNUAL GENERAL MEETINGS

| Year | Location | Date & Time | Whether any special resolution passed |
|--|---|---|--|
| 61 st Annual General Meeting | Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038 | 26 th August 2016 11:00 AM | - Appointment of Mr. Vinod Kumar Hans (DIN: 03328309) as Whole-Time Managing Director of the Company - Appointment of Mr. Rajesh Sinha (DIN: 07358567) as Whole-Time Director of the Company - Appointment of Mr. Manish Chadha (DIN: 07195652) as CFO & Finance Director of the Company |
| 62 nd Annual General Meeting | Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038 | 25 th September 2017 11:00 AM | - Appointment of Mr. K. C. Sundareshan Pillai (DIN: 06846949) as an Independent Director |
| 63 rd Annual General Meeting | Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038 | 20 th September 2018 11:00 AM | - Re-appointment of Dr. Khalid Iqbal Khan (DIN: 05253556) as Whole-Time Director- Legal & Company Secretary of the Company |

Postal Ballot: No resolution has been passed as special resolution through postal ballot during the financial year ended 31st March, 2019. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

9. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

M/s Surinder Vashishtha & Associates, Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ MCA or any statutory authority. The certificate is annexed as Annexure - A.

10. MEANS OF COMMUNICATION

| | |
|---|---|
| Results | <p>Quarterly/Half-Yearly/Yearly Financial Results of the Company were considered and approved by the Directors and the same were communicated to Stock Exchanges. 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 news releases, if any, were communicated to the stock exchange in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>The results are available on the Company's website at www.federalmogulgoetzeindia.net. All the official news releases are made available at the website.</p> |
| Whether presentations were made to Institutional Investors or to the analysts? | No |

11. GENERAL SHAREHOLDER INFORMATION

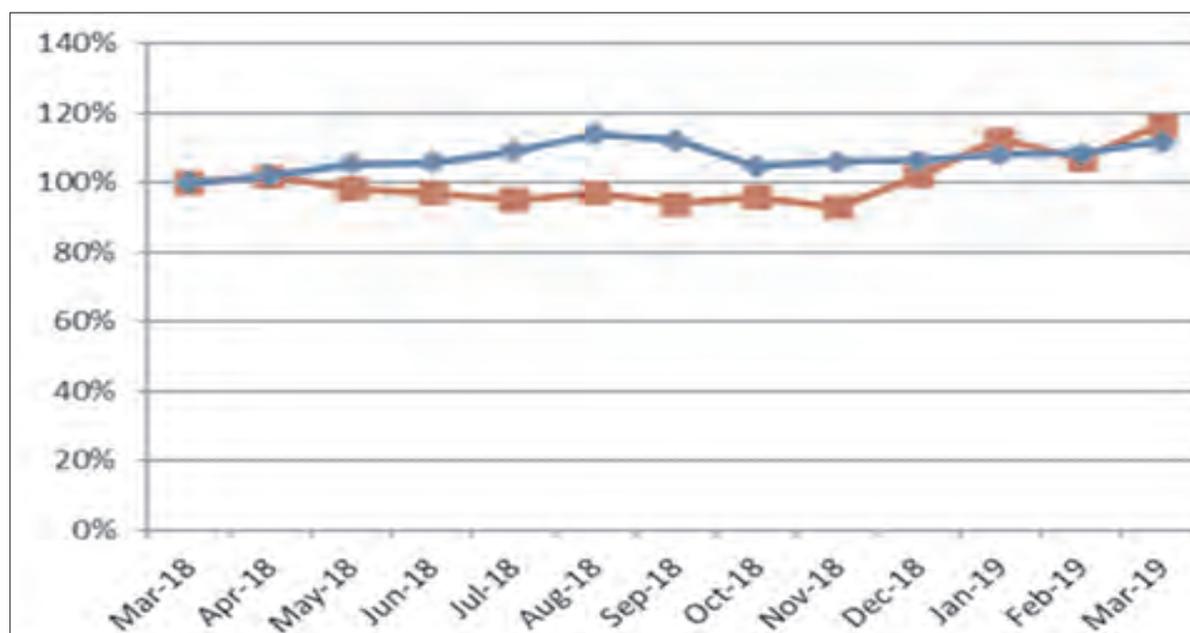
| | | |
|----|---|--|
| a. | 63 rd Annual General Meeting - Date and Time - Venue | 20 th September, 2018 at 11.00 A.M. Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038 |
| b. | Financial Year | 1 st April 2017 to 31st March 2018 |
| c. | Financial Calendar (Tentative) | |
| | - Results for the quarter ending June 30, 2019 | Second week of September 2019 |
| | - Results for the quarter/half year ending September 30, 2019 | Second week of December 2019 |
| | Results for the quarter/period ending December 31, 2019 | Second week of February 2020 |
| | - Results for the quarter/year ending March 31, 2020 | Last week of May 2020 |
| | - Annual General Meeting for the financial year ending March 31, 2019 | 19 th September, 2019 |
| d. | Book Closure date | 13 th September, 2019 to 19 th September, 2019 (both days inclusive) |
| e. | Listing on Stock Exchanges | - BSE Limited Phiroze Jee Jee Bhoy Towers, Dalal Street, Mumbai-400001 - The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai 400051 (See Note) |
| f. | Stock Code | BSE Limited – 505744 National Stock Exchange - FMGOETZE |
| | ISIN No.- NSDL | INE 529A01010 |
| | - CDSL | INE 529A01010 |

Note: Listing Fees for the year 2018-2019 and 2019-20 has been paid to both, BSE Limited and National Stock Exchange of India Limited. Annual custodian charges of Depository have also been paid to both NSDL and CDSL.

g. Stock Market Data*

| Month | Bombay Stock Exchange, Mumbai | | | | National Stock Exchange, Mumbai | | | |
|--------|--|--------|----------|----------|--|--------|-----------|----------|
| | Federal-Mogul Goetze (India) Limited's Share Price | | Sensex | | Federal-Mogul Goetze (India) Limited's Share Price | | CNX Nifty | |
| | (Rs.) | | | | (Rs.) | | | |
| | High | Low | High | Low | High | Low | High | Low |
| Apr-18 | 503.75 | 424.50 | 35213.30 | 32972.56 | 505.00 | 412.65 | 10759.00 | 10111.30 |
| May-18 | 478.15 | 418.15 | 35993.53 | 34302.89 | 476.90 | 416.25 | 10929.20 | 10417.80 |
| Jun-18 | 478.50 | 405.30 | 35877.41 | 34784.68 | 462.00 | 403.00 | 10893.25 | 10550.90 |
| Jul-18 | 455.00 | 411.00 | 37644.59 | 35106.57 | 455.00 | 410.60 | 11366.00 | 10604.65 |
| Aug-18 | 462.45 | 422.00 | 38989.65 | 37128.99 | 470.00 | 422.00 | 11760.20 | 11234.95 |
| Sep-18 | 457.45 | 398.00 | 38934.35 | 35985.63 | 469.90 | 395.70 | 11751.80 | 10850.30 |
| Oct-18 | 482.40 | 391.00 | 36616.64 | 33291.58 | 444.40 | 392.15 | 11035.65 | 10004.55 |
| Nov-18 | 435.95 | 410.00 | 36389.22 | 34303.38 | 432.95 | 410.05 | 10922.45 | 10341.90 |
| Dec-18 | 509.90 | 424.00 | 36554.99 | 34426.29 | 524.10 | 421.75 | 10985.15 | 10333.85 |
| Jan-19 | 540.00 | 485.00 | 36701.03 | 35375.51 | 543.75 | 483.10 | 10987.45 | 10583.65 |
| Feb-19 | 508.00 | 465.00 | 37172.18 | 35287.16 | 508.15 | 461.60 | 11118.10 | 10585.65 |
| Mar-19 | 590.55 | 463.45 | 38748.54 | 35926.94 | 589.00 | 480.20 | 11630.35 | 10817.00 |

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

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


*The above chart is showing the trend in FMGIL average monthly price vis-a-vis Auto Components Companies average monthly price considering March 2018 as base month

i. Share Transfer System

Alankit Assignments Limited, RTA Division, 'Alankit Heights' 3E/7, 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 transfers, transmission, subdivision, consolidation, renewal, exchanges, issuance of duplicates has been delegated to the Share Transfer Committee. Presently, the Share Transfer Committee comprises Dr. Khalid Iqbal Khan, Chairman, Mr. Mukul Gupta and Mr. Krishnamurthy Naga 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 76 times during the financial year 2018-19 for approving transfers, transmission etc.

- Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate for the half year ended 30th September, 2018 and 31st March, 2019, has been issued by the Company Secretary in practice for due compliance of share transfer formalities by the Company has been submitted with the Stock Exchanges. Further, a compliance certificate duly signed by the compliance officer of the Company and the authorized representative of the share transfer agent for the half year ended 30th September, 2018 and 31st March, 2019, pursuant to regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has also been submitted to the Stock exchanges certifying that all the activities in relation to both physical and electronic share transfer facility are maintained by share transfer agent registered with the Board.

J. Distribution Schedule as on 31/03/2019

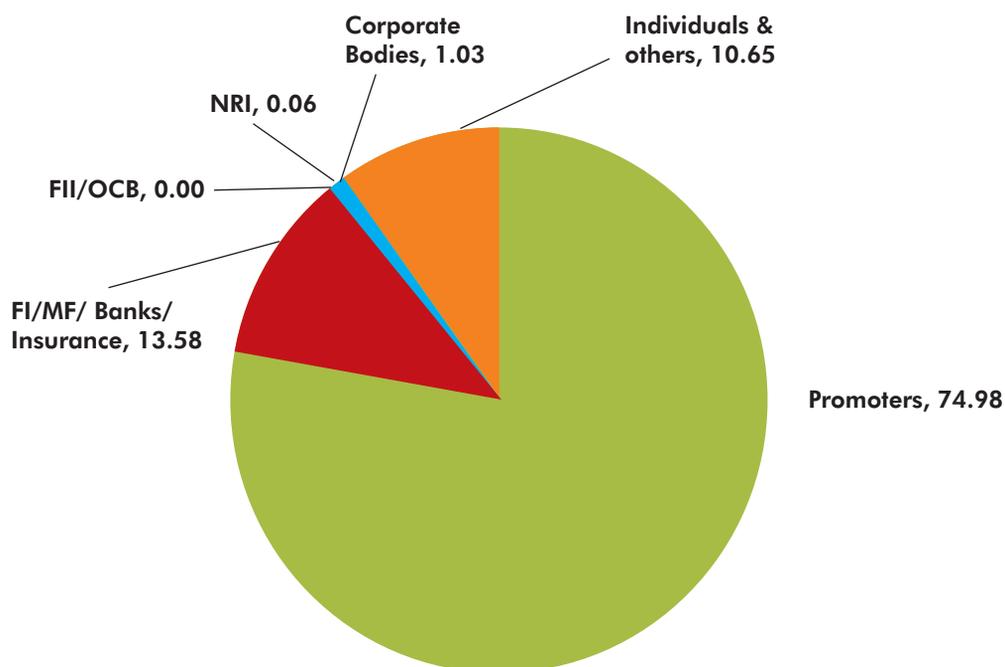
A] On the basis of shares held

| No. of shares | No. of share holders | Percentage to total Shareholders | No. of shares held | Percentage to total shares held |
|---------------|----------------------|----------------------------------|--------------------|---------------------------------|
| Upto 5000 | 16841 | 95.276 | 14618460 | 2.628 |
| 5001 – 10000 | 475 | 2.687 | 3524820 | 0.634 |
| 10001 – 20000 | 184 | 1.041 | 2708190 | 0.487 |
| 20001 – 30000 | 47 | 0.266 | 1187450 | 0.213 |
| 30001 – 40000 | 24 | 0.136 | 834160 | 0.15 |
| 40001 – 50000 | 24 | 0.136 | 1145600 | 0.206 |
| 50001 -100000 | 26 | 0.147 | 1947540 | 0.35 |
| Above 100000 | 55 | 0.311 | 530355080 | 95.333 |
| TOTAL | 17676 | 100.00 | 556321300 | 100.00 |

B] On the basis of Category

| Category | No. of Share holders | Percentage to total shareholders | No. of shares held | Percentage to total shares held |
|---|----------------------|----------------------------------|--------------------|---------------------------------|
| Individuals | 15909 | 94.89 | 5520683 | 9.92 |
| Corporate Bodies | 277 | 1.65 | 572345 | 1.03 |
| Financial Institutions / Mutual Funds/ Banks/ Insurance Companies | 39 | 0.23 | 7665386 | 13.78 |
| Non-resident Indians | 192 | 1.15 | 34818 | 0.06 |
| Foreign Institutional Investors/ Overseas Corporate Bodies | 0 | 0 | 0 | 0 |
| Promoters (Non-resident Company) | 2 | 0.02 | 41715454 | 74.98 |
| Others | 346 | 2.06 | 123444 | 0.23 |
| TOTAL | 16765 | 100.00 | 55632130 | 100.00 |

**Distribution of Shares of Federal- Mogul Goetze (India) Limited
(As on 31/03/2019)**



k. Dematerialization of shares and Liquidity

As on 31st March 2019, 99.24% of the Equity Capital of the Company have been dematerialized. The shares of the company are traded on BSE 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. Disclosure on Commodity price risks or Foreign Exchange risk and hedging activities | Not Applicable |
| n. Plant Locations: | |
| 1. Bahadurgarh Patiala (PUNJAB) | 2. Yelahanka Bangalore (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) |
| o. Corporate office: | Registered office: |
| 10 th Floor, Tower B, Paras Twin Towers, Sector-54, Golf Course Road, Gurugram, Haryana – 122002, India. Fax No. : +91 124 4292840 Tel No: +91 124 478 4530 | DLF Prime Towers, 10 Ground Floor, F-79 & 80, Okhla Phase - I, New Delhi - 110020 Tel No: +91 11 4905 7597 e-mail: investor.grievance@tenneco.com Website: www.federalmogulgoetzeindia.net |

p. Registrar and Share Transfer Agent

Alankit Assignments Limited
'Alankit Heights'
3E/7, Jhandewalan Extension,
New Delhi-110055
Tel No: 011-23541234, 42541234,
Fax No.: 011-23552001/42541201

q. Compliance Officer: Dr. Khalid Iqbal Khan, Whole-time Director-Legal & Company Secretary

r. Contact information of Designated Official for assisting and handling Investor Grievances:

Dr. Khalid Iqbal Khan
Tel : +91 124 4784530
E-mail ID -: khalid.khan@tenneco.com
Address : 10th floor, Paras Twin Towers, Tower-B,
Golf Course Road, Sector-54, Gurugram-122002

s. Grievance Redressal : Ms. Shruti Bhardwaj

E-mail ID: shruti.bhardwaj@tenneco.com
Address : 10th floor, Paras Twin Towers, Tower-B,
Golf Course Road, Sector-54, Gurugram-122002

12. LIST OF CREDIT RATING (alongwith any revisions thereto during the financial year 2018-2019, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the company involving mobilization of funds, whether in India or outside)

Facilities

Long term Bank Facilities

Rating

CARE A+; Stable
(Single A Plus; Stable)
CARE A1+
(A One Plus)

Short term Bank Facilities

13. DISCLOSURES

- | | |
|--|---|
| <ul style="list-style-type: none"> • 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 | <p>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 2019.</p> |
| <ul style="list-style-type: none"> • Details of number of Shares & Convertible Instruments held by Non-Executive Directors | <p>As on date, no Non-Executive Directors holds any share in the company.</p> |
| <ul style="list-style-type: none"> • 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. | <p>None.</p> |
| <ul style="list-style-type: none"> • Details of establishment of Vigil mechanism/ Whistle blower policy, and affirmation that no personnel have been denied access to the Audit Committee. | <p>The Company has established the Vigil mechanism/ Whistle Blower policy. The policy is also available on the website (www.federalmogulgoetzeindia.net) of the Company. Further, no person was denied access to the Audit Committee.</p> |

- Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements

As on date, the Company is in full compliance with the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Further, following Non-mandatory requirements are also adopted by the Company:

 1. At present, the Chairman of the Board is a Non-executive Independent Director, who is entitled to receive sitting fee only for the Board and Committee Meetings held during the year.
 2. Separate posts of Chairman and CEO: The Company has appointed Non-Executive Independent Directors as Chairman.
 3. Reporting of Internal Auditors: The internal auditors report to the Audit Committee directly.

- Details of Familiarization programme for Independent Directors

<http://federalmogulgoetzeindia.net/web/index.html>

- Policy on Related Party Transaction

<http://federalmogulgoetzeindia.net/web/index.html>

- Policy for determining 'material' subsidiaries

<http://federalmogulgoetzeindia.net/web/index.html>

- Disclosure on Commodity price risks or Foreign Exchange risk and hedging activities

Not Applicable

- Prevention of insider trading

During the year, the Company has amended the Code of Conduct for Prevention of Insider Trading and Policy on Fair Disclosure of Unpublished Price Sensitive Information in line with SEBI (Prohibition of Insider Trading)(Amendment) Regulations, 2018. The key changes include, inter alia, change in definition of designated persons, maintenance of digital database, internal controls, and policy and procedure for inquiry in case of leak of Unpublished Price Sensitive Information. The policy is also available on the website (www.federalmogulgoetzeindia.net) of the Company.

14. DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS

The details of total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

| Sl. No. | Type of Service | FY 2018-19 | |
|---------|---------------------|---------------------------|-----------------------------|
| | | Standalone Rupees in Lacs | Consolidated Rupees in Lacs |
| 1. | Statutory Audit Fee | 25 | 30.25 |
| 2. | Limited Reviews | 18 | 18 |
| 3. | Tax Audit Fee | 1.5 | 2.25 |
| | Total: | 44.5 | 50.5 |

15. The Company has complied with all the applicable corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Corporate Governance Report of the Company for the financial year ended on 31st March, 2019 is in compliance with the requirements of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

16. 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 Whole-time Managing Director to this effect is annexed as **Annexure-B**.

For and on behalf of the Board of Directors

Federal-Mogul Goetze (India) Limited

Vinod Kumar Hans

Whole-time Managing Director

DIN: 03328309

Khalid Iqbal Khan

Whole-time Director-Legal & Company Secretary

DIN : 05253556

Date: 13th Aug, 2019

Place: Gurugram

Annexure-A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of **Federal-Mogul Goetze (India) Limited**
DLF Prime Towers, 10 Ground Floor,
F-79 & 80, Okhla Phase-I,
New Delhi – 110020

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Federal-Mogul Goetze (India) Limited** having CIN L74899DL1954PLC002452 and having registered office at DLF Prime Towers, 10 Ground Floor, F-79 & 80, Okhla Phase-I, New Delhi – 110020, (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S. No. | Name of Director | DIN | Date of Appointment in Company |
|--------|--|----------|--------------------------------|
| 1 | KRISHNAMURTHY NAGA SUBRAMANIAM | 00041843 | 30.04.2009 |
| 2 | MUKUL GUPTA | 00254597 | 12.05.2006 |
| 3 | MAHENDRA KUMAR GOYAL | 02605616 | 13.08.2014 |
| 4 | VINOD KUMAR HANS | 03328309 | 01.01.2016 |
| 5 | SUNIT KAPUR | 03435110 | 11.06.2012 |
| 6 | KHALID IQBAL KHAN | 05252556 | 22.05.2015 |
| 7 | SUNDARESHAN KANAKKU CHEMBAKARAMAN PILLAI | 06846949 | 16.12.2016 |
| 8 | JANICE RUSKEY MAIDEN | 06847230 | 13.08.2014 |
| 9 | MANISH CHADHA | 07195652 | 05.02.2016 |
| 10 | RAJESH SINHA | 07358567 | 01.01.2016 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SURINDER VASHISHTHA & ASSOICATES**
COMPANY SECRETARIES
SURINDER VASHISHTHA
C.P. No. : 12313

Place: Gurugram
Date: 28th May, 2019

DECLARATION OF WHOLE-TIME MANAGING DIRECTOR

This is to certify that the Company has laid down a Code of Conduct for all Board Members and Senior Management of the Company and a 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, 2019.

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

Vinod Kumar Hans
Whole-time Managing Director
DIN: 03328309

Place: Gurugram
Date: 28th May, 2019

Features of Nomination and Remuneration Policy of The Company**ANNEXURE-2**

- The policy lays down the 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.
- The policy determines remuneration of Directors, KMP and other employees, based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the auto ancillary industry.
- The policy specifies the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance so as to provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- The policy aims to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- The policy ensures diversity of the Board so that Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy.
- Further the Nomination and Remuneration Policy is available on the website of the Company at <http://www.federalmogulgoetzeindia.net/web/index.html>.

Details Regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo Federal-Mogul Goetze (India) Limited Pursuant to clause (m) of sub-section (3) of section 134 of the Act and Companies (Accounts) Rules, 2014

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

- Energy Efficient Compressors are in use.
- The facility is upgraded to the latest technology of LED lighting system.
- Energy Audits are conducted to the facility.
- Changes in the Pipeline of Compressors are being conducted to save energy during idle times of machineries.
- Usage of Natural Lighting by Installation of Sky lamps at Roofing.
- Overall improvement of Power factor by adding capacitor banks(Target of 0.99)
- Identification and phasing out the Blowers and pumps which is operated at an higher capacity of the requirement.
- Conservation of energy by upgrading the technology in Sewage Treatment plant.
- Conservation of energy by installing thyristor drivers in Heat treatment furnaces.
- Adequate planning of production to be in line with the specific power consumption required for generation of product.
- Upgradation of Energy Efficient induction/Holding furnaces for melting activities.
- Replacement of old high rating motors with energy efficient motors IE-3 with VFD
- Replacement of centralized AC system with individual AC system
- Replacement of old main frequency Furnace with energy efficient medium frequency induction furnace
- Replacement of old AC with Five star rating AC.
- Reduced running time in shot blasting machine.
- Replacement of energy efficient machine Head in Piston Exports .
- Automation in Chip conveyor system to reduce energy consumption .
- Chiller unit removed from high frequency spindle motor and replaced belt driven motors .
- Continuous maintaining of Plant power factor Unity thus saving in electricity and reduction in losses
- Regular Energy Audit , daily monitoring of energy, power factor and controlling to save energy.
- Energy efficient dipping and holding Furnace .
- Installation of LED lights in place of Fluorescent lights , CFL lights , MV & SV lamps and T-5 lights
- Installation of Auto on-off Fan controller on cooling towers .
- Installation of Variable Frequency Drives on Compressors, cooling towers and on Air coolant units
- Energy efficient rectifier with suitable rating in chrome plating .
- Implementation of CII third party Audit Points where applicable .
- Installation of day sky lights in office and Finish article store .
- Replacement of old MS compressed air pipes in compressor Room and Distribution Header with energy efficient Aluminum pipes to reduce pressure drop and leakages
- Installation of Automatic capacitor panel on Compressors for power factor improvement and reduction in power losses.
- Replacement of old oil circuit breakers with Vacuum Circuit breakers thus reduction in losses.
- Switching of lights / fans / Motors/ compressors in interval time.
- Regular audit of compressed air leakages points, implementation and monitoring.
- Conducting in-house thermography test of hot spots for reduction in losses,.
- Electrical Power system improvement which results reduction in breakdown and less working of DG thus saving in HSD cost.
- Reduction in heat loss by covering of holding furnaces.
- Replacement of high capacity motors with suitable capacity low rating motors.
- New sintering furnace is being commissioned to enhance capacity and energy efficiency.

b) The steps taken by the company for utilising alternate sources of energy:

- The use of Wheeling Energy (Wind/Solar Energy) to reduce GHG gases.
- Use of PNG gas from traditional LPG.
- Maximum usage of natural roof Lighting in the shopfloor
- Alternator Source of Fuel PNG on RR melting Furnace , Sealed quench furnace , Canteen and in other areas . LPG is phased out .
- HSD Furnaces converted on PNG.
- Installation of Solar water heater for canteen.
- Green building concept by installing day sky lights in office and Finish article store.
- Have signed an agreement for solar power procurement

c) Capital investment on energy conservation equipments: Rs.67 Lakhs**d) Impact of the above measures**

The above measures resulted in reduction in energy consumption, saving in power cost, productivity improvement and reduction in environmental load.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption:

- The Company has successfully absorbed the technology for the manufacture of piston assembly conforming to Euro IV & VI standards for Gasoline/Diesel/CNG applications.
- Installation of efficient Plating process for Piston Rings.
- Installation of robotic IKA cell Casting Machines to produce low weight Elastoval II pistons.
- Implementation of High Strength Alloys (G91) for diesel and gasoline pistons
- Started Pisdyn analysis for secondary motion analysis.
- Implementation of premium friction coatings for diesel & gasoline pistons
- Low wall thickness casting manufacturing purging with Argon gas.
- Automatic plant installed for Hard Anodizing of ring groove.
- Skirt Pattern coating developed for low friction.
- Development of Piston with raised gallery.
- Energy Audits by CII federation to understand the new revolution in Energy reduction programs.
- Chip Processing Unit.
- Introduction of Insertec furnace(uses PNG) in place of Diesel fired furnace.
- Introduction of Energy Efficient IGBT driven Induction furnace.
- Flange type guide

ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

- New Business
- Upgradation in Technology
- Customer Satisfaction
- Higher Product reliability
- Higher Productivity
- Cost savings and effective utilisation of aluminum chips by introduction of Chip processing unit inhouse.
- Cost Savings and product improvement by installation of Insertec furnace.
- Cost savings by induction furnaces
- New product added in portfolio

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

| Details of Technology imported | Year of Import | Technology absorption status |
|--|----------------|------------------------------|
| New forge cell (indigenously developed) | 2016 | Implemented |
| Development of DLC coated pin | 2016 | Implemented |
| 2D Ultrasonic machine for NDT inspection | 2016 | Implemented |
| New casting cell for Elastoval-II pistons (indigenously developed) | 2017 | Implemented |
| Hard Anodizing of top ring groove with Automatic plant | 2018 | Implemented |
| Automatic Pre heating equipment for sintered salt core pistons | 2018 | Implemented |
| Chip Processing unit, Insertec Furnace | 2016 | Implemented |
| Restrike technology to eliminate Valve guides machining | 2016 | Implemented |

4.The expenditure incurred on Research and Development (R&D):-Rs. 33.22 Lakhs (approx.)

C. FOREIGN EXCHANGE EARNINGS & OUTGO

1. Foreign exchange earned: Rs. 10,938.64 lacs
2. Foreign exchange utilized: Rs. 5,921.48 lacs

1. DEFINITIONS

- i. **'Act'** means Companies Act, 2013, including any re-enactments thereof and amendments thereto;
- ii. **'AGM'** means Annual General Meeting of the Company, including adjourned Annual General Meeting;
- iii. **'AoA'** means the Articles of Association of Federal-Mogul Goetze (India) Limited;
- iv. **'Board'** means the Board of Directors of Federal-Mogul Goetze (India) Limited;
- v. **'Company'** means Federal-Mogul Goetze (India) Limited;
- vi. **'Distributable Profit'** means the profits of the Company for the year, for which dividend is being declared, arrived at after providing for depreciation and/or the profits of the Company for any previous financial years arrived at after providing for depreciation;
- vii. **'Dividend'** means a part of the Company's net profit distributed among shareholders in proportion to the amount of paid up share capital held by them and refers to interim dividend or final dividend;
- viii. **'Investor Education and Protection Fund'** means the fund established by the Central Government in terms of the provisions of the Companies Act, 1956, including and re-enactments thereof;
- ix. **'Policy'** means this Dividend Policy of Federal-Mogul Goetze (India) Limited;
- x. **'Record Date'** means the date to be fixed by the Company for closure of books of accounts for a particular financial year;
- xi. **'Unpaid Dividend Account'** means a special bank account opened by Federal-Mogul Goetze (India) Limited with a scheduled bank for depositing unpaid and unclaimed dividend.

2. INTRODUCTION

The Company's primary requirement is to maintain sufficient resources and flexibility to meet its financial and operational requirements. At the same time, the Company consistently seeks methods to create and enhance the value of its shareholders through both its commercial and financial strategies.

This policy aims at addressing the issues relating to the determination and payment of Dividend by the Company to its shareholders.

3. OBJECTIVE OF THE POLICY

The objective of this policy is to clearly define the Company's strategy on the distribution and utilization of its net profit for the purpose of distribution to the shareholders. The Policy intends to:

- 3.1 create a transparent method of payment of Dividend with adherence to the terms contained herein;
- 3.2 define the procedures to be followed by the Company in relation to the calculation, declaration and settlement of Dividend and for determining the manner and time period within which Dividend is to be paid;

4. DETERMINING FACTORS

In determining the Company's Dividend payout, the Board shall take into consideration a variety of financial and other parameters, which inter-alia shall include the following:

- i. macroeconomic factors and level of competitiveness in market;
- ii. cash flow from operations;
- iii. the outlook for Company's growth;
- iv. capital expenditure requirements;
- v. potential opportunities and expansion plans of the Company;
- vi. Company's overall debt obligations

5. TERMS OF DECLARING DIVIDEND

Decision to declare Dividends is not an obligation on the part of the Company and the payment of Dividend, if to be made, shall be made in conformity with the following terms:

- a) The AoA authorizes the Company to pay Dividend to its shareholders in proportion to the amount paid-up on the shares held by the shareholders.
- b) Dividend for a particular financial year may be declared or paid by the Company out of the Distributable Profits and shall be allocated among shareholders on a pro rata basis according to the number of shares held.
- c) The Dividend shall be recommended by the Board and paid to the shareholders who are registered on the Record Date.
- d) The Dividend shall be paid only in cash by cheque or warrant or any other prescribed mode.
- e) In conformity with the provisions of the Act and rules made thereunder, the decision on Dividends shall be proposed by the Board and is to be confirmed thereafter by the shareholders of the Company at an AGM.

- f) The Board may propose/ recommend payment of dividend by passing a resolution in a board meeting, which shall be subject to the confirmation / approval by the shareholders in an AGM.
The Board Report or Directors' report to be laid before the shareholders of the company in the general meeting shall include the amount which has been recommended by the Board to be paid by way of Dividend.
- g) The Shareholders shall be entitled to pass a resolution for payment of Dividend recommended by the Board, in case the Company's condition as on the date of AGM is such that the Dividend the payouts will not harm its business and affect implementation of its development programs or strategies. However, the amount of Dividend to be approved for payment by the shareholders shall not exceed the amount recommended by the Board.
- h) The Shareholders shall be entitled to disagree with any recommendation of the Board on the Dividend amount and may pass a resolution for payout with a lesser amount than that recommended by the Board.
- i) Notwithstanding anything contained in this Dividend Policy, the Board or the Company may not declare any Dividend and the shareholders may not expect dividend in the following cases:
- There are reasonable grounds for believing that the Company is or would be, after a Dividend payment, unable to pay its liabilities or discharge its debt obligations as and when they become due;
 - Profits are required to be retained for capital expenditure; technology upgradation; repayment of debts, including interest; and operations of the Company etc.
 - There is any other situation set forth by the Act or any other law for the time being in force.
- j) No interest shall accrue on unclaimed Dividends.
- k) If the shares are jointly held/ owned, the Dividend shall be distributed and paid to the first named shareholder.
- l) The bonus shares shall not be issued in lieu of Dividend.

6. PROCEDURE FOR DIVIDEND PAYMENT

- The amount of the Dividend, including interim Dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such Dividend.
- Dividend shall be paid within 30 (Thirty) days of declaration of dividend in the AGM.
- Dividends shall be paid to shareholders after deduction of applicable tax at the applicable tax rate prevailing as on the date of payment.
- The shareholders of the Company shall be solely responsible for making due submission with the Company of any information and changes thereto so as to enable the Company to make necessary changes in the shareholders' register, contact information, bank account details, communication address etc as may be required by the Company for the purpose of payment of Dividend.
- If the Dividend, after being declared, is not paid or remains claimed within 30 (Thirty) days of declaration in the AGM, then such amount of Dividend shall be transferred to the Unclaimed Dividend Account within 7 (Seven) days from the date of expiry of the said period of 30 (Thirty) days.
- An amount which remains unclaimed and unpaid for a period of 7 (Seven) years from the date they became due for payment will be transferred by the Company to the Investor Education and Protection Fund.

7. INTERNAL AND EXTERNAL FACTORS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND

Internal Factors :

- Profits of the Company
- Future Investment plans
- Technical Upgradation
- Capital Expenditure
- Working Capital requirements

External Factors :

- Cost of debt
- Technological requirements due to change in Government policy
- Changes in law
- Market scenario like Recession, boom or depression etc.

8. UTILISATION OF RETAINED EARNINGS

The retained earnings shall, inter-alia, be utilized for the following purposes:

- 1) Operations of the Company;
- 2) Meeting the capital expenditure requirements;
- 3) Technology upgradation;
- 4) Repayment of debt, including interest; and
- 5) Such other purposes as may be determined by the Board, from time to time.

9. MISCELLANEOUS

Where there is an inconsistency between the clauses of this Policy and the Company's AoA with respect to the payment of Dividends, the provisions set forth in the Company's AoA must be adhered to. Further, if there is any change in the law, the provisions of law shall always prevail over the provisions of the policy.

This Policy may be amended in whole or in part by the Board at any time.

Adopted by the Board of Federal-Mogul Goetze (India) Limited on 29th July, 2016.

ANNEXURE-5 THE COMPANY CSR POLICY

Effective: April 1, 2014

1. SHORT TITLE & APPLICABILITY:

- 1.1 The Corporate Social Responsibility policy of the Company encompasses its philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. The Corporate Social Responsibility policy of the Company is titled as the 'THE COMPANY CSR Policy'.
- 1.2 This policy shall apply to all CSR initiatives and activities taken up by THE COMPANY for the benefit of different segments of the society, specifically the deprived, and underprivileged section of the society.

2. THE COMPANY'S APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY

The approach of the Company towards Corporate Social Responsibility would be oriented to identify the activities in response to felt societal needs in diverse areas and to implement them with full involvement and commitment in a time bound manner. The Company will provide financial assistance in the form of grant-in-aid assistance and corpus fund support etc. to support, supplement and improve the quality of life of different segments of the society, specifically the deprived, and underprivileged section of the society.

2.1 AIMS AND OBJECTIVES

As a responsible corporate entity, the Company will consistently strive for opportunities to meet the expectation of its stake holders by pursuing the concept of sustainable development with focus on the following social welfare activities:-

1. Promotion of rural enterprise and livelihood including skill development and training.
2. Making sustained efforts for environmental preservation.
3. Undertaking relevant community development programmes.
4. Supporting initiatives of vocational, technical and higher education to the most disadvantaged and marginalized section of the society.
5. Eradicating extreme hunger and poverty.
6. Promoting gender equality and empowering women.
7. To be a part of national/local initiatives to provide relief / rehabilitation in times of natural disaster/ calamities.

3. ACTIVITIES UNDER CORPORATE SOCIAL RESPONSIBILITY

The Company would endeavor to adopt an integrated approach to address the community, societal & environmental concerns by taking up a range of the following activities, which shall be taken up strategically,, in a focused manner to the extent possible and allowed as per Section 135 of the Companies Act, 2013 and the applicable rules and regulations as may be prescribed in this regard, including any modification (s) thereof.

3.1 CSR ACTIVITIES: CSR activities will be undertaken within India.

CSR activities will include the following activities relating to:—

- (i) Eradicating hunger, poverty, malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- (ii) Promotion of education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the different abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) Measures for the benefit of armed forces veterans, war widows and their dependants.
- (v) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- (vi) Ensuring environmental sustainability, ecological balance protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
- (vii) Protection of national heritage, art and culture including restoration of buildings and sites of historically importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.
- (viii) Contributions or funds provided to technology incubators located within academic institutions which are approved by Central Government.

- (ix) Rural development projects.
- (x) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- (xi) Such other matters as may be prescribed by the Central Government and approved by the Board of Directors/ CSR Committee, as the case may be.

4. PROHIBITED ACTIVITIES UNDER CSR

The Corporation will abstain from carrying out the following activities under CSR that may create dissatisfaction in any section of the Society:-

- I. Activities concerned with religion like construction of temple/mosque etc.
- II. Activities disturbing social harmony in any manner.
- III. Activities exclusively for the benefit of employees of the company or their family members.
- IV. Such other activities as may be prohibited by Central Government.

5. IMPLEMENTATION MECHANISM

The Company would consider the following broad parameters while identifying/selecting the schemes/projects:

- 5.1 The assistance under CSR activities may be in the form of donation, so as to create social impact and visibility.
- 5.2 While implementing the identified activities, time frames and milestones may be predefined.
- 5.3 The CSR projects may be based on fundamentals of sustainable development.
- 5.4 In line with the Companies Act, 2013, donation based assistance/ grants, should not be less than limits as may be prescribed by the Central Government/ Ministry of Corporate Affairs from time to time.
- 5.5 Proper screening, checks and balances shall be ensured while sanctioning the CSR proposals.

6. PLANNING AND COORDINATION

- 6.1 Subject to the above, the Company will prepare an annual plan for CSR activities for each year within the budgetary provisions and will place the same before the CSR Committee / the Board of Directors for approval, as the case may be.
- 6.2 The focus of benefits will be in line with the activities mentioned in this document and as per programs, projects and schemes approved.

7. MONITORING AND EVALUATION

Regular update on the CSR initiatives undertaken and/ or to be undertaken shall be given to the CSR Committee. The Company may also depute one or more employees who shall monitor the CSR initiatives of the Company and report the same to the CSR Committee. The impact of the CSR activities may be quantified to the extent possible. The Chairman of CSR Committee shall draw a time frame from the date of initiation. In case of any delay noticed while monitoring the CSR initiatives, remedial measures shall be taken for timely completion of the Project.

8. ALLOCATION OF FUNDS

A total allocation of amount as prescribed by the Companies Act, 2013 and approved by the Board will be earmarked every year for implementation of CSR programmes.

9. REPORTING

An annual report of the activities undertaken under the CSR initiatives will be prepared, mentioning the activities identified, benefits accrued as a result thereof and the number of people benefited there from. The said report shall be submitted to the Board of Directors.

10. GENERAL

- 10.1. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company.
- 10.2. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to the CSR Committee. In all such matters, the decision of the CSR Committee shall be final.
- 10.3. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Companies Act, 2013, rules and regulations as may be prescribed by the Central Government, from time to time.
- 10.4. The Company reserves the right to modify, cancel, add, or amend any of these Rules.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES 2018-19

1. A brief outline of the Company’s CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

Federal-Mogul is proactively fulfilling its social responsibilities as a member of society. Beyond legal compliance and keeping our promises to our customers, we think broadly about how we can contribute to society through our business and put these ideas into action of our own will.

For our part, we have set five priority areas to create a prosperous society filled with people with smiling faces taking advantage of our strengths and those of our like-minded group companies. Our endeavor is to address social issues to create a society where people can enjoy comfortable and convenient lives.

Our social investment programmes focus on:

- **Promotion of Education** – Promoting quality education amongst less privileged children, especially girl child, to bring about a social change.
- **Preventive Health care** – To directly and indirectly improve the health of fellow citizens, especially the socially and economically marginalized groups by working actively in the areas of preventive health and sanitation and making available safe drinking water.
- **Rural Development Project**– To contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large by supporting local schools & hospitals i.e. community development
- **Employment Enhancing Vocational Skills** – The biggest challenge that the Industry is facing today is the availability of trained and skilled Manpower. Industries see this as a major bottleneck in their expansion plans. They also face challenges to maintain the desired output and quality due to lack of availability of skilled manpower. We plan to launch series of programmes to provide technical and vocational training with an ultimate aim of creating world class skilled work force and making the potential employees ‘Job Ready’ before they embark upon their professional career.
- **Women Empowerment** – To equip women, with skills and resources to build a better future for themselves.

The CSR policy and details of the programs are available on the website of the Company, <http://federalmogulgoetzeindia.com/web/index.html>

2. Composition of the CSR Committee:

Presently, the CSR committee comprises the following members :-

- 1) Mr. Vinod Kumar Hans (Chairman)
- 2) Mr. KN Subramaniam
- 3) Dr. Khalid Iqbal Khan
- 4) Mr. Mukul Gupta

3. Average net profit of the Company for the last three financial years: INR 106.17 Crores

4. Prescribed CSR Expenditure (two percent, of the amount as in item 3 above): INR 212.65 Lakhs

5. Details of CSR spent during the financial year:

- a) Total amount to be spent for the financial year : As there was no unspent amount during the previous financial year, the total amount to be spent for the financial year was **Rs. 212.65 lakhs**
- b) Amount Unspent, if any : **Nil**

The manner in which the amount has been spent during the financial year is detailed below:

(Rs. in lacs)

| S. No. | CSR Project or activity identified | Sector in which the project is covered | Projects or programmes (1) Local Area (2) Specify the State and district where projects were undertaken | Amount Outlay (budget) or programs wise | Amount spent on project (1) Direct expenditure on project (2) Overheads | Cumulative expenditure upto the reporting period | Amount spent : Direct or through implementing agency |
|--------|--|--|---|---|---|--|--|
| 1 | Education to Under-privileged children | Promotion of Education | Gurgaon | | 18.97 | | Agency - GharAngna (EkPyaraSapna) |
| 2 | Providing school uniform for Deaf and Blind School | Promotion of Education | Patiala | | 2.48 | | Agency - Society for Welfare of the Handicapped |
| 3 | Sponsoring Education of 80 Children | Promotion of Education | Delhi | | 4.80 | | Agency – Ishwar |
| 4. | Sponsoring stay and education at Remand Home for 100 Girl Child. | Promotion of Education | Delhi | | 10.00 | | Agency – Prayas |

Rs. in lacs

| | | | | | | | |
|----|--|--|--------------------------------|--|---------------|---------------|--|
| 5 | Computer Training centre for Youth at IIT | Promotion of Education | Delhi | | 4.37 | | Agency – Vidya |
| 6 | Remedial Coaching for class 10 and 12 children – NIOS preparation | Promotion of Education | Gurgaon | | 15.24 | | Agency – Vidya |
| 7 | Adult Literacy Programme and Remedial coaching for students at IIT | Promotion of Education | Delhi | | 15.15 | | Agency – Vidya |
| 8 | Sponsoring education and all expense for one unit (having 9 children and 1 mother) | Promotion of Education | Patiala | | 11.81 | 131.12 | Agency- SOS Children's Village |
| 9 | Sponsoring education and all expense for one unit (having 9 children and 1 mother) | Promotion of Education | Bangalore | | 11.81 | | Agency- SOS Children's Village |
| 10 | Sponsoring education of 130 Children | Promotion of Education | Patiala, Bangalore + Faridabad | | 29.49 | | Agency- SOS Children's Village |
| 11 | Remedial Coaching at Baroti School | Promotion of Education | Parwanoo | | 5.00 | | Agency - SNS Foundation |
| 12 | Remedial Coaching and women empowerment programmes | Promotion of Education | Faridabad | | 2.00 | | Agency - Uday Society |
| 13 | MJSA Project for water conservation | Rural Development Project | Bhiwadi | | 4.60 | 5.23 | Direct Govt. Project |
| 14 | Green Zone Development Project | Rural Development Project | Patiala | | 0.63 | | Agency – Khushii |
| 15 | Upgrading ITI, Patiala | Employment Enhancing Vocational Skills | Patiala | | 7.64 | 7.84 | Agency – Khushii |
| 16 | Training Mechanic programme | Employment Enhancing Vocational Skills | Gurgaon | | 0.20 | | Agency - SNS Foundation |
| 17 | Providing shelter for abandoned senior citizens and mentally disabled people | Preventive Health Care | Gurgaon | | 3.09 | | Agency - The Earth Saviours Foundation |
| 18 | Setting up of OPD Dispensary at Rajpura Village | Preventive Health Care | Patiala | | 11.00 | 17.66 | Agency -Khushii |
| 19 | Organizing Medical Camps in Slums | Preventive Health Care | Gurgaon | | 3.57 | | Agency - Medihelp Foundation |
| 20 | Stitching work thru Silai Centre for NO Polythene Campaign | Women Empowerment | Gurgaon | | 1.20 | | Direct |
| 21 | Silai Centre for women | Women Empowerment | Gurgaon | | 5.10 | 23.80 | Agency - Vidya |
| 22 | Driving training for Women | Women Empowerment | Gurgaon | | 17.50 | | Agency - Neeva Foundation |
| 23 | Expense related to employee involved in CSR | Administrative Expense | Gurgaon | | 7.00 | 7.00 | Admn. Expense |
| 24 | Donation to CM Relief Fund for Kerala Disaster | | Kerala | | 20.00 | 20.00 | Govt Relief Fund |
| | TOTAL | | | | 212.65 | 212.65 | |

6. Details of implementing Agencies are as under :-

- a. **Ghar Angna (Ek Pyara Sapna) Welfare Society**, a NGO in the field of education for under-privileged children from Nursery to Class -2. It has been in existence since the year 2009.
- b. **Society for the Welfare of the Handicapped** – This NGO is a pioneer in North India in the field of education for Children with special needs. Society was established on 16 Apr 1967. In 2014, they were adjudged as best NGO of Punjab State. The President of India presented the Award in Rashtripati Bhawan in person to Col. Karaminder Singh.
- c. **SNS Foundation** - THE SNS Foundation is the CSR wing of Anand group established in the 70's and operates around various manufacturing bases of Anand spread across the country. The Vision of the Foundation is a development process that creates a socially just and equitable, economically progressive, and environmentally sustainable society.
- d. **SOS Children's Village** - SOS Children's Villages of India is an independent, non-governmental, social development organisation that provides family-based care for parentless or abandoned children in India. The organization is over 50 years old in India and it advocates the concerns, rights and needs of children in need of care and protection. In India, they are present in 22 states, have 32 SOS Children's Villages and over 25, 000 beneficiaries.
- e. **The Earth Saviours Foundation** -Founded in 2008, is an Internationally recognized NGO, situated in Gurgaon, Haryana, India. The Foundation is dedicated to serve less privileged people and is making every possible effort to protect the environment. They are Recipient of Sardar Vallabhbhai Patel International Prestigious Award for Excellence in Humanitarian Services.
- f. **Uday Society for Development**, an NGO working for the upliftment of under-privileged with an aim to largely work on development of the deprived community, to enable them live with dignity and self-esteem, by supporting them to achieve good health, proper education and economic growth. Having its office at 149, Sector 19, Faridabad – 121 001.
- g. **MJSA – Water Conservation Project** - Mukhyamantri Jal Swavlamban Abhiyan (MJSA) aims at conserving and harvesting rain water and making villages self-reliant even during drought periods. The scheme is created with the idea of natural resource management with hydrological unit as a base to develop water, forest and land in Rajasthan.
- h. **Khushii-** is a charitable organization that has been in the public domain for almost 12 years now. Headed by the legendary Col. Captain Kapil Dev. Khushii is a philanthropic initiative of the eminent social personalities of the country working on alternatives leading to socio economic development of the under privileged segment of the society.
- i. **Manav Charities**, a vibrant charitable NGO started in 1999 and working towards economic, social and educational development and upliftment of people in Karnataka and other parts of the country. It is registered under Karnataka Societies Act 1960, having its office at #66, 14th Main, Kammagondanahalli, Jalahalli West, Bangalore – 560 015.
- j. **Medihelp Foundation** - Set up in 2011, is a not for profit organisation registered under the Trust Registration Act of 1882.. They conduct free medical check up camps, eye-operation camps, dialysis assistance schemes, HIV/AIDS awareness programmes, health promotion events, etc. They promote and participate in government health drives and schemes as regards polio vaccination, malnutrition, safe motherhood, child care, and if required in private campaigns promising better health awareness and alleviation of conditions in the field of health and hygiene.

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

Vinod Kumar Hans

Whole-time Managing Director & Chairman of CSR Committee

DIN: 03328309

Place: Gurgaon

Date: 13th Aug 2019

ANNEXURE – 7 TO THE DIRECTORS’ REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Rs. in lacs)

| Sl. No. | Particulars | Details |
|----------------|---|--|
| 1. | Name of the subsidiary | Federal-Mogul TPR (India) Limited |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company’s reporting period | 1st April 2018 to 31st March 2019 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR |
| 4. | Share capital | Authorised Sh. Cap. - 2000.00 Issued Sh. Cap. - 1000.00 |
| 5. | Reserves & surplus | 11040.76 |
| 6. | Total assets | 14590.24 |
| 7. | Total Liabilities | 14590.24 |
| 8. | Investments | Nil |
| 9. | Turnover (Net of Excise/GST) | 10685.03 |
| 10. | Profit before taxation | 2329.20 |
| 11. | Provision for taxation | 679.19 |
| 12. | Profit after taxation | 1659.71 |
| 13. | Proposed Dividend | 625.00 |
| 14. | % of shareholding | 51% |

Part “B”: Associates and Joint Ventures

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

: There is no associate and joint venture company as on 31st March 2019.

ANNEXURE – 8 TO THE DIRECTORS’ REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

[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 April,2018-31st March,2019) the financial year ended on 31st March, 2019 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, 2019 according to the provisions as amended from time to time:

- (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 – Not applicable as the Company has not issued any shares during the year under review;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014– Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines/regulations during the year under review;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -Not applicable as the Company has not issued any debt securities during the year under review;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / proposed to delist its equity shares during the year under review; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the year under review.;

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

- (i) Secretarial Standards issued with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange.

During the period under review the parent Company of FMGIL viz. Federal Mogul LLC, USA was acquired by Tenneco Inc. and such acquisition amounted to indirect acquisition of FMGIL, India by the acquirer. In this regard the Company complied with the applicable laws and listing compliances.

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

For DEEPIKA GERA, Company Secretaries

DEEPIKA GERA
FCS No. 3531
C P No : 7487

Place : NEW DELHI
Date: 28-05-2019

DISCLAIMER NOTE : We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

ANNEXURE-9 TO DIRECTORS' REPORT
CERTIFICATE ON CORPORATE GOVERNANCE

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, 2019 as stipulated in regulations Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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 the above mentioned Listing Regulations.

We state that in respect of Investors grievances received during the year ended 31st March, 2019, no investor grievances were pending against the Company for a period exceeding thirty days as per the records maintained by the Company which were presented to the shareholders/Investor Grievance 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 & Associates**
Company Secretaries

Surinder Vashishtha
C.P. No. : 12313

Place: Gurugram
Date: 28th May 2019

ANNEXURE-10 TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | |
|--|---|
| CIN | L74899DL1954PLC002452 |
| Registration Date | 26 th November, 1954 |
| Name of the Company | Federal-Mogul Goetze (India) Limited |
| Category / Sub-Category of the Company | Company limited by shares |
| Address of the Registered office and contact details | <p>Registered Office: DLF Prime Towers, 10 Ground Floor, F- 79 & 80, Okhla Phase-I, New Delhi- 110020 Contact details: Ph. No.: +91 11 4905 7597</p> <p>Corporate Office: Paras Twin Towers, 10th Floor, Tower B, Sector-54, Golf Course Road, Gurugram -122002</p> <p>Contact details: Ph. No.: +91 124 4784530; Fax : +91 124 4292840 Email: investor.grievance@tenneco.com Website: www.federalmogulgoetzeindia.net</p> |
| Whether listed company | Yes |
| Name, Address and Contact details of Registrar and Transfer Agent | <p>Alankit Assignments Limited Alankit House, 3E/7, Jhandewalan Extension, New Delhi- 110055 Ph. No.: +91 11 42541234; +91 11 23541234 Fax : +91-11- 42541201 Email: rta@alankit.com</p> |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Pistons, Piston Pins & Piston rings | 2811 | 100 % |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

| Sl. | Name and Address of The company | CIN/GLN | Holding/Subsidiary/ Associate | % of shares held | Applicable Section |
|-----|-----------------------------------|-----------------------|-------------------------------|------------------|--------------------|
| 1 | Federal-Mogul Holdings Limited | Not Applicable | Holding | 60.053 % | 2(46) |
| 2 | Federal-Mogul TPR (India) Limited | U34300DL1997PLC087410 | Subsidiary | 51% | 2(87) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|-------------|-----------------|-------------------|---|-------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual / HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub – total (A)(1) | - | - | - | - | - | - | - | - | - |
| (2) Foreign | | | | | | | | | |
| a) NRI-Individuals | - | - | - | - | - | - | - | - | - |
| b) Other-Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | 41715454 | - | 41715454 | 74.984 | 41715454 | - | 41715454 | 74.984 | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2) | 41715454 | - | 41715454 | 74.984 | 41715454 | - | 41715454 | 74.984 | - |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 41715454 | - | 41715454 | 74.984 | 41715454 | - | 41715454 | 74.984 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 5667693 | 1850 | 5669543 | 10.191 | 5639291 | 1850 | 5641141 | 10.140 | (0.051) |
| b) Banks / FI | 3958 | 1772 | 5730 | 0.010 | 15879 | 1772 | 17651 | 0.032 | 0.220 |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | 1869032 | 50 | 1869082 | 3.360 | 1777515 | 50 | 1777565 | 3.195 | (0.165) |
| g) FIs | 1050 | - | 1050 | 0.002 | 1050 | - | 1050 | 0.002 | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify -FPI's) | 185235 | - | 185235 | 0.333 | 160474 | - | 160474 | 0.288 | (0.045) |
| Alternate Investment Funds | - | - | - | - | 67505 | - | 67505 | 0.121 | 0.121 |
| Sub-total (B)(1):- | 7726968 | 3672 | 7730640 | 13.896 | 7661714 | 3672 | 7665386 | 13.778 | - |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| i) Indian | 554856 | 6141 | 560997 | 1.014 | 577608 | 4636 | 582244 | 1.047 | 0.033 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital up to Rs. 1 lakh | 1846147 | 448460 | 2294607 | 4.125 | 1833206 | 409177 | 2242383 | 4.031 | (0.094) |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 3288807 | - | 3288807 | 5.912 | 3313309 | - | 3313309 | 5.956 | 0.044 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|---------------|-----------------|-------------------|---|---------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| c) Others (specify)- | | | | | | | | | |
| - Trust | 3985 | - | 3985 | 0.170 | 2075 | - | 2075 | 0.004 | (0.166) |
| - NBFCs registered with RBI | - | - | - | - | 9899 | - | 9899 | 0.018 | 0.018 |
| - Clearing Member | 8773 | - | 8773 | 0.016 | 26494 | - | 26494 | 0.048 | 0.032 |
| - HUF | 9157 | - | 9157 | 0.165 | 84976 | - | 84976 | 0.153 | (0.012) |
| - NRI | 27280 | 1587 | 28867 | 0.060 | 33231 | 1587 | 34818 | 0.063 | 0.003 |
| Sub-total (B)(2): | 5821418 | 456188 | 6217606 | 11.462 | 5870899 | 415400 | 6286299 | 11.734 | 0.272 |
| Total Public Shareholding (B) = (B)(1) + (B)(2) | 13547336 | 460910 | 13948246 | 25.358 | 13531563 | 420122 | 13951685 | 25.512 | 0.154 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 55262790 | 460910 | 55663700 | 100% | 55247017 | 420122 | 55667139 | 100% | 0 |

ii. Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--------------|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of shares | % of total shares of the company | % of shares Pledged/encumbered to total shares | No. of shares | % of total shares of the company | % of shares Pledged/encumbered to total shares | |
| 1 | Federal-Mogul Holdings Limited | 33408581 | 60.053 | - | 33408581 | 60.053 | - | - |
| 2 | Federal-Mogul Vermögensverwaltungs-GMBH | 8306873 | 14.932 | - | 8306873 | 14.932 | - | - |
| Total | | 41715454 | 74.984 | - | 41715454 | 74.984 | - | - |

iii. Change in Promoters' Shareholding (please specify, if there is no change)

| Sl. No. | Name of the Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|------------------------|---|----------------------------------|
| | | No. of shares shares of | % of total the company | No. of shares | % of total shares of the company |
| 1. | Federal-Mogul Holdings Limited | | | | |
| | At the beginning of the year | 33408581 | 60.053 | 33408581 | 60.053 |
| | Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Nil | Nil | Nil | Nil |
| | At the End of the year | 33408581 | 60.053 | 33408581 | 60.053 |
| 2. | Federal-Mogul Vermögensverwaltungs-GMBH | | | | |
| | At the beginning of the year | 8306873 | 14.932 | 8306873 | 14.932 |

| Sl. No. | Name of the Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|------------------------|---|----------------------------------|
| | | No. of shares shares of | % of total the company | No. of shares | % of total shares of the company |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year | Nil | Nil | Nil | Nil |
| | | 8306873 | 14.932 | 8306873 | 14.932 |

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Date of change in Share holding | Increase/Decrease in Share holding | Reason for Increase/Decrease | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---------------------------------|------------------------------------|------------------------------|---|----------------------------------|
| | | No. of shares | % of total Shares of the company | | | | No. of shares | % of total shares of the company |
| 1 | Reliance Capital Trustee Company Limited A/C | 5467656 | 9.82 | 01/04/2018 | - | - | 5467656 | 9.82 |
| | Reliance Capital Trustee Company Limited A/C | | | 06/04/2018 | -5467656 | Transfer | 0 | 0.00 |
| | Reliance Capital Trustee Company Limited A/C | | | 13/04/2018 | 5299991 | Transfer | 5299991 | 9.53 |
| | Reliance Capital Trustee Company Limited A/C | | | 20/04/2018 | 10000 | Transfer | 5309991 | 9.54 |
| | Reliance Capital Trustee Company Limited A/C | | | 27/04/2018 | 14775 | Transfer | 5324766 | 9.57 |
| | Reliance Capital Trustee Company Limited A/C | | | 04/05/2018 | 4557 | Transfer | 5329323 | 9.58 |
| | Reliance Capital Trustee Company Limited A/C | | | 11/05/2018 | 4500 | Transfer | 5333823 | 9.59 |
| | Reliance Capital Trustee Company Limited A/C | | | 18/05/2018 | 18000 | Transfer | 5351823 | 9.62 |
| | Reliance Capital Trustee Company Limited A/C | | | 25/05/2018 | 7200 | Transfer | 5359023 | 9.63 |
| | Reliance Capital Trustee Company Limited A/C | | | 01/06/2018 | -271002 | Transfer | 5088001 | 9.15 |
| | Reliance Capital Trustee Company Limited A/C | | | 08/06/2018 | 274000 | Transfer | 5362001 | 9.64 |
| | Reliance Capital Trustee Company Limited A/C | | | 29/06/2018 | 4512 | Transfer | 5366513 | 9.65 |
| | Reliance Capital Trustee Company Limited A/C | | | 20/07/2018 | 12350 | Transfer | 5378863 | 9.67 |
| | Reliance Capital Trustee Company Limited A/C | | | 27/07/2018 | 8876 | Transfer | 5387739 | 9.68 |
| | Reliance Capital Trustee Company Limited A/C | | | 03/08/2018 | 13715 | Transfer | 5401454 | 9.71 |
| | Reliance Capital Trustee Company Limited A/C | | | 14/08/2018 | 9000 | Transfer | 5410454 | 9.73 |
| | Reliance Capital Trustee Company Limited A/C | | | 17/08/2018 | 4500 | Transfer | 5414954 | 9.73 |
| | Reliance Capital Trustee Company Limited A/C | | | 24/08/2018 | 3466 | Transfer | 5418420 | 9.74 |
| | Reliance Capital Trustee Company Limited A/C | | | 21/09/2018 | 5534 | Transfer | 5423954 | 9.75 |
| | Reliance Capital Trustee Company Limited A/C | 28/09/2018 | 7300 | Transfer | 5431254 | 9.76 | | |
| | Reliance Capital Trustee Company Limited A/C | 12/10/2018 | 8000 | Transfer | 5439254 | 9.78 | | |
| 2 | Life Insurance Corporation of India | 1129741 | 2.03 | 01/04/2018 | - | - | 1129741 | 2.03 |
| | | | | 06/04/2018 | -1129741 | Transfer | 0 | 0.00 |
| | | | | 13/04/2018 | 1129741 | Transfer | 1129741 | 2.03 |
| 3 | Bhavook Tripathi | 1069462 | 1.92 | 01/04/2018 | - | - | 1069462 | 1.92 |
| | Bhavook Tripathi | | | 06/04/2018 | -1069462 | Transfer | 0 | 0.00 |
| | Bhavook Tripathi | | | 13/04/2018 | 1079914 | Transfer | 1079914 | 1.94 |
| | Bhavook Tripathi | | | 20/04/2018 | 18467 | Transfer | 1098381 | 1.97 |
| | Bhavook Tripathi | | | 10/08/2018 | 910 | Transfer | 1099291 | 1.98 |
| | Bhavook Tripathi | | | 14/08/2018 | 922 | Transfer | 1100213 | 1.98 |

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Date of change in Share holding | Increase/Decrease in Share holding | Reason for Increase/Decrease | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---------------------------------|------------------------------------|------------------------------|---|----------------------------------|
| | | No. of shares | % of total Shares of the company | | | | No. of shares | % of total shares of the company |
| | Bhavook Tripathi | | | 17/08/2018 | 1013 | Transfer | 1101226 | 1.98 |
| | Bhavook Tripathi | | | 24/08/2018 | 5 | Transfer | 1101231 | 1.98 |
| | Bhavook Tripathi | | | 07/09/2018 | 2886 | Transfer | 1104117 | 1.98 |
| | Bhavook Tripathi | | | 13/09/2018 | 2700 | Transfer | 1106817 | 1.99 |
| | Bhavook Tripathi | | | 14/09/2018 | 348 | Transfer | 1107165 | 1.99 |
| | Bhavook Tripathi | | | 21/09/2018 | 527 | Transfer | 1107692 | 1.99 |
| | Bhavook Tripathi | | | 28/09/2018 | 15392 | Transfer | 1123084 | 2.02 |
| | Bhavook Tripathi | | | 12/10/2018 | 2749 | Transfer | 1125833 | 2.02 |
| | Bhavook Tripathi | | | 09/11/2018 | -1 | Transfer | 1125832 | 2.02 |
| | Bhavook Tripathi | | | 23/11/2018 | -1314 | Transfer | 1124518 | 2.02 |
| | Bhavook Tripathi | | | 30/11/2018 | -1113 | Transfer | 1123405 | 2.02 |
| | Bhavook Tripathi | | | 07/12/2018 | -1433 | Transfer | 1121972 | 2.02 |
| | Bhavook Tripathi | | | 14/12/2018 | -3420 | Transfer | 1118552 | 2.01 |
| | Bhavook Tripathi | | | 21/12/2018 | -2250 | Transfer | 1116302 | 2.01 |
| | Bhavook Tripathi | | | 31/12/2018 | -1652 | Transfer | 1114650 | 2.00 |
| 4 | K Mohan | 733000 | 1.32 | 01/04/2018 | - | - | 733000 | 1.32 |
| | | | | 06/04/2018 | -733000 | Transfer | 0 | 0.00 |
| | | | | 13/04/2018 | 733000 | Transfer | 733000 | 1.32 |
| 5 | Vanaja Sundar Iyer | 572239 | 1.03 | 01/04/2018 | - | - | 572239 | 1.03 |
| | | | | 06/04/2018 | -572239 | Transfer | 0 | 0.00 |
| | | | | 13/04/2018 | 572239 | Transfer | 572239 | 1.03 |
| 6 | The New India Assurance Company Limited | 539041 | 0.97 | 29/06/2018 | 25000 | Transfer | 602239 | 1.08 |
| | | | | 01/04/2018 | - | - | 539041 | .97 |
| | | | | 06/04/2018 | -539041 | Transfer | 0 | 0.00 |
| | | | | 13/04/2018 | 489775 | Transfer | 489775 | 0.88 |
| | | | | 21/12/2018 | -5880 | Transfer | 483895 | 0.87 |
| | | | | 31/12/2018 | -22088 | Transfer | 461807 | 0.83 |
| | | | | 04/01/2019 | -14283 | Transfer | 447524 | 0.80 |
| 7 | Madhuri Kela | 215000 | 0.39 | 01/04/2018 | - | - | 215000 | 0.39 |
| | | | | 06/04/2018 | -215000 | Transfer | 0 | 0.00 |
| | | | | 13/04/2018 | 215000 | Transfer | 215000 | 0.39 |
| 8 | General Insurance Corporation of India | 200250 | 0.36 | 01/04/2018 | - | - | 200250 | 0.36 |
| | | | | 06/04/2018 | -200250 | Transfer | 0 | 0.00 |
| | | | | 13/04/2018 | 200250 | Transfer | 200250 | 0.36 |
| 9 | Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life MNC Fund | 200000 | 0.36 | 01/04/2018 | - | - | 200000 | .36 |
| | | | | 06/04/2018 | -200000 | Transfer | 0 | 0.00 |
| | | | | 13/04/2018 | -200000 | Transfer | 200000 | 0.36 |
| 10 | India Infoline Limited | 203471 | 0.36 | 01/04/2016 | 203471 | Transfer | 0 | 0.00 |

v. Shareholding of Directors and Key Managerial Personnel:

| Shareholder's Name | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|----------------------------------|---|----------------------------------|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| Dr. Khalid Iqbal Khan | | | | |
| At the beginning of the year | 5 | 0.00 | 5 | 0.00 |
| Transactions (Purchase/Sale) during the year: | - | - | - | - |
| At the end of the year | 5 | 0.00 | 5 | 0.00 |

Note: Mr. Vinod Kumar Hans, Mr. Krishnamurthy Naga Subramaniam, Mr. Manish Chadha, Mr. Rajesh Sinha, Mr. Sunit Kapur, Ms. Janice Maiden Ruskey, Mr. KC Sundareshan Pillai, Mr. Mukul Gupta and Mr. Mahendra Kumar Goyal did not hold any shares during the year 2018-19.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lacs)

| | Secured Long Term Loans excluding deposits | Secured short Term Loans excluding deposits | Unsecured Loans | Inter-corporate Deposit | Depo-sits | Total Indebtedness |
|---|--|---|-----------------|-------------------------|------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | | | |
| li) Principal Amount | Nil | 151.05 | 21.61 | 6639.99 | Nil | |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil | Nil | |
| iii) Interest accrued but not due | Nil | Nil | Nil | 43.99 | Nil | |
| Total (i+ii+iii) | Nil | 151.05 | 21.61 | 6683.98 | Nil | |
| Change in Indebtedness during the financial year | | | | | | |
| • Addition | Nil | 101.45 | Nil | 8400.00 | Nil | |
| • Reduction | Nil | (251.05) | (21.61) | (8380.00) | Nil | |
| Net Change | Nil | (149.60) | (21.61) | 20.00 | Nil | |
| Indebtedness at the end of the financial year | | | | | | |
| i) Principal Amount | Nil | 1.45 | Nil | 6,659.99 | Nil | |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil | Nil | |
| iii) Interest accrued but not due | Nil | Nil | Nil | 41.18 | Nil | |
| Total (i+ii+iii) | Nil | 1.45 | Nil | 6,701.17 | Nil | |

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director (Whole-time Directors and/or Manager):
(Rs. in lacs)

| Sl. No. | Particulars of Remuneration | Name of MD / WTD / Manager | | | | Total |
|------------------------|---|--|---------------|-------------------|---------------|---------------|
| | | Vinod Kumar Hans | Manish Chadha | Khalid Iqbal Khan | Rajesh Sinha | |
| 1 | Gross salary | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 112.30 | 71.56 | 66.55 | 80.62 | 331.03 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 42.88 | 15.13 | 14.37 | 17.51 | 84.63 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission - as % of profit - others, (Commission) | - | - | - | - | - |
| 5 | Others, (Company's contribution to PF & Superannuation, wherever applicable) | 9.29 | 5.26 | 2.94 | 5.99 | 23.48 |
| Total (A) | | 164.46 | 91.95 | 83.86 | 104.12 | 439.14 |
| Ceiling as per the Act | | Being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013 | | | | |

B. Remuneration to other directors:

(Rs. in INR)

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | Total |
|--------------------------------------|--|--|-----------------------------|-------------------|-----------------|--------------------|
| | | K. N. Subramaniam | Mukul Gupta | Mahendra Goyal | S.K.C. Pillai | |
| For Independent Directors | | | | | | |
| | Fee for attending Board / Committee meetings | 13,60,000/- | 13,60,000/- | 1,00,000/- | 40,000/- | 28,80,000/- |
| | Commission | Nil | Nil | Nil | Nil | Nil |
| | Others, please specify | Nil | Nil | Nil | Nil | Nil |
| | Total (1) | 13,60,000/- | 13,60,000/- | 1,00,000/- | 40,000/- | 28,80,000/- |
| Other Non-Executive Directors | | | | | | |
| | | Sunit Kapur | Janice Ruskey Maiden | | | |
| | Fee for attending Board / Committee meetings | Nil | Nil | | | |
| | Commission | Nil | Nil | | | |
| | Others, please specify | Nil | Nil | | | |
| | Total (2) | Nil | Nil | | | |
| | Total (1+2) | 13,60,000/- | 13,60,000/- | 1,00,000/- | 40,000/- | 28,80,000/- |
| | Total Managerial Remuneration | - | - | - | - | - |
| | Overall Ceiling as per the Act | Being 11% of the net Profits of the Company calculated as per Section 198 of the Companies Act, 2013 | | | | |

Notes:

- Total remuneration to Chairman & Managing Director, Whole Time Directors and other Directors (being the total of A and B)

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD – The remuneration details of Dr. Khalid Iqbal Khan, Whole-time Director-Legal & Company Secretary and Mr. Manish Chadha, CFO & Finance Director have been provided in column A.

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences under any sections of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

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

Vinod Kumar Hans

Whole-Time Managing Director
DIN : 03328309

Manish Chadha

Chief Finance Officer & Finance Director
DIN : 07195652

Place: Gurugram

Date: 13th Aug. 2019

ANNEXURE-11 TO DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT [Regulation 34 (2) (f)]

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

| S.No. | Particulars | Details | | | | | | | | |
|------------------|--|--|---------|----------|------------------|------|--------------|------|------------|------|
| 1. | Corporate Identity Number (CIN) of the Company: | L74899DL1954PLC002452 | | | | | | | | |
| 2. | Name of the Company: | Federal-Mogul Goetze (India) Limited | | | | | | | | |
| 3. | Registered address: | DLF Prime Towers, 10 ground Floor, F- 79 & 80, Okhla Phase-I, New Delhi - 110020 | | | | | | | | |
| 4. | Website: | www.federalmogulgoetzeindia.net | | | | | | | | |
| 5. | E-mail ID: | Khalid.khan@tenneco.com | | | | | | | | |
| 6. | Financial Year reported: | 1st April, 2018 to 31st March, 2019 | | | | | | | | |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise): | Automobile sector | | | | | | | | |
| 8. | List three key products/services that the Company manufactures/provides (as in Balance Sheet): | <table border="1"> <thead> <tr> <th>Product</th> <th>NIC Code</th> </tr> </thead> <tbody> <tr> <td>(i) Piston rings</td> <td>2811</td> </tr> <tr> <td>(ii) Pistons</td> <td>2811</td> </tr> <tr> <td>(iii) Pins</td> <td>2811</td> </tr> </tbody> </table> | Product | NIC Code | (i) Piston rings | 2811 | (ii) Pistons | 2811 | (iii) Pins | 2811 |
| Product | NIC Code | | | | | | | | | |
| (i) Piston rings | 2811 | | | | | | | | | |
| (ii) Pistons | 2811 | | | | | | | | | |
| (iii) Pins | 2811 | | | | | | | | | |
| 9. | Total number of locations where business activity is undertaken by the Company | | | | | | | | | |
| | (a) Number of International Locations (Provide details of major5): | Nil | | | | | | | | |
| | (b) Number of National Locations: | 4 manufacturing locations, Registered office, Head Office, 4 sales offices and 24 depots | | | | | | | | |
| 10. | Markets served by the Company - Local/State/National/International | All India | | | | | | | | |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| S. No. | Particulars | Details |
|--------|--|--|
| 1. | Paidup Capital (INR) | Rs. 556,321,300/- |
| 2. | Total Turnover (INR) | Rs. 1,31,897.90 lacs |
| 3. | Total profit after taxes(INR) | Rs. 8,262.29 lacs |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%) | Total spending on CSR activities was Rs. 212.65 lacs, which is 2% of the average profits of last 3 years. |
| 5. | List of activities in which expenditure in(4) above has been in Incurred: - | List of CSR activities is detailed in the Annual Report of CSR activities, Annexure to the Board's Report. |

SECTION C: OTHER DETAILS

| S.No. | Particulars | Details |
|-------|--|--|
| 1. | Does the Company have any Subsidiary Company/ Companies | Yes, the Company has one subsidiary company, viz. Federal-Mogul TPR (India) Limited |
| 2. | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company If yes, then indicate the number of such subsidiary company (s) | The subsidiary company is managed by an independent Board of Directors, which takes its own decisions. |
| 3. | Do any other entity/entities(e.g.suppliers,distributorsetc.) that the Company does business with, participate in the BR initiatives of the Company, If yes, then indicate the percentage of such entity/entities [Less than30%,30-60%,More than60%] | No |

SECTION D: BR INFORMATION

| S.No. | Particulars | Details |
|-------|---|---|
| 1. | Details of Director/Directors responsible for BR (a) Details of the Director/ Director responsible for implementation of the BR policy/ policies: (b) Details of the BR head: | 1. DIN Number: 03328309 2. Name: Mr. Vinod Kumar Hans 3. Designation: Whole-Time Managing Director 1. DIN Number: 03328309 2. Name : Mr. Vinod Kumar Hans 3. Designation : Whole-Time Managing Director 4. Telephone number: +91 124-4784530 5. E-mail ID : vinod.hans@tenneco.com |
| 2. | Principle - wise (as per NVGs) BR Policy/ policies (Reply in Y/N) | |

2. Principal-wise(as per NVGs) BR Policy / policies (Reply in Y / N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business(NVGs), releases by the Ministry of Corporate Affairs, has adopted nine areas of Business responsibility.

Principal 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principal 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principal 3

Businesses should promote the wellbeing of all employees.

Principal 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Principal 5

Businesses should respect and promote human rights.

Principal 6

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

Principal 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principal 8

Businesses should support inclusive growth and equitable development.

Principal 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

| No. Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | |
|---|-----|----|----|------|----|----|----|----------------|----|--|
| 1. Do you have a policy/ policies for.... | Y* | Y | Y | Y | Y | Y | N | Y | Y | |
| 2. Has the policy being formulated in consultation with the relevant stakeholders@ | N | N | N | N | N | N | N | N | N | |
| 3. Does the policy conform to any national/ international standards ? If yes, Specify | Y | Y | Y | Y | Y | Y | N | Y | Y | |
| 4. Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ by CEO/ appropriate Board Director | N | N | N | Y | N | N | N | Y | N | |
| 5. Does the company have a specified committee of the Board/Director/ Official to over see the implementation of the policy | Y** | Y | Y | Y | Y | Y | N | Y | Y | |
| 6. Indicate the link for the policy to be viewed online | N# | Y# | N# | Y### | Y# | N# | N# | Y### | Y# | |
| 7. Has the policy been formally communicated to all relevant internal and external stakeholders | Y | Y | Y | Y | Y | Y | N | Y | Y | |
| 8. Does the company have in-house structure to implement the policy/ policies. | Y | Y | Y | Y | Y | Y | N | Y | Y | |
| 9. Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies | Y | Y | Y | Y | Y | Y | N | Y | Y | |
| 10. Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency | N | N | N | Y | N | N | N | Y | N | |
| (b)If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick upto 2options) | | | | | | | | Not applicable | | |

* It forms part of code of conduct of the Company.

** The respective HODs are responsible for implementation of the particular policy.

@ The Policies have been derived and adopted from the Global policies and are aligned as per local requirements to safeguard the interests of all its stakeholders.

<http://www.federalmogul.com/en-US/Company/Pages/Policy-Documents.aspx>

<http://federalmogulgoetzeindia.com/web/documents/CSR%20Policy.pdf>

| | | |
|-----|--|----------------|
| 3. | Governance related to BR | |
| (a) | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3months, 3-6 months, Annually, More than 1year | Annually |
| (b) | Does the Company publish a BR or Sustainability Report ? What is the hyper link for viewing this report ? How frequently it is published ? | Not Applicable |

SECTION E : PRINCIPLE - WISE PERFORMANCE

| S.No. | Particulars | Details |
|--------------------|---|--|
| Principle 1 | | |
| 1 | Does the policy relating to ethics, bribery and corruption cover only the company Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others | The Company's Code of conduct & Integrity policy include its policy on ethics, bribery and corruption covering the Company and all its vendors, contractors and consultants. Other significant documents that define the standard of behavior of the Company, include affirmation from the vendors/ consultants not to violate any applicable bribery laws and declaration of the code of conduct. |
| 2 | How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management If so, provide details there of, in a bout 50 words or so. | During 2018-19, no complaint was received from the shareholder. No complaint was received from other stakeholders. |

Principle 2

- List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

Piston, Piston Rings and Piston Pins.

The Company has:

1a. Piston:

- Introduction of G91 alloy for highly rated engines
- Development of optimised weight pistons
- Introduction of 'Friction reduction' skirt coating like AV19 and AV21
- Introduction of 'Dura bowl' technology in mass production
- Introduction of pin hole bush technology for highly rated engines
- Introduction of 'Elastoval II' architecture pistons for gasoline engines
- Piston analysis - Introduction of 'PISDYN' 'FM Power' and 'FM Shape' softwares

1b. Piston pin:

- Introduction of DLC coating on pin outer diameter for friction reduction

1c. Piston rings:

- Introduction of PVD coated rings for friction reduction
- Introduction of LKZ® and LKR® technology for friction and oil consumption reduction

- Development of low axial height rings for friction and oil consumption reduction
 - Development of 3 piece oil ring with anti-sticking feature
 - Introduction of GDC 60® coating
 - Introduction of Cr. Side face coating for CTOH applications
 - Development of F16 material
 - Introduction of PRiME 3D® analysis for piston ring design optimisation
2. Does the company have procedures in place for sustainable sourcing (including transportation)
- (a) If yes, what percentage of your in puts was sourced sustainably Also, provide details thereof, in about 50 words or so.
- The Company selects the suppliers through a set of procedures, which are followed globally. Suppliers /vendors have to sign and follow the Code of Conduct and Basic Working Conditions Policy for Suppliers posted at <http://www.federalmogul.com/en-US/Company/Pages/Policy-Documents.aspx>. Supplier Manual is also posted at <http://www.federalmogul.com/en-US/Company/Pages/Policy-Documents.aspx> which applies to all suppliers. In the opinion of the Management, the Company's sourcing is sustainable.
3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work
- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors
- The Company engages local manufacturing suppliers located near its plants as needed and has a supplier development team that ensures monitoring of their performance based on the Company's standards and supporting them to improve performance by training, site visits, audits, etc.
4. Does the company have a mechanism to recycle products and waste If yes what is the percentage of recycling of products and waste (separately as <5%,5-10%,> 10%).Also, provide details thereof, in about 50 words or so.
- Yes, the Company does have a mechanism to re-cycle the pistons and C.I. rings waste generated in the process.
- With regard to pistons, approximately 97% of the waste generated in the process is being recycled and with regard to C.I. rings approximately 70% of the waste generated in the process is being recycled.
- We do not get used products back from customers for recycling.
- For waste, it is 5-10%. The company recycles waste as under:
- 1) Reduction in water consumption by 10% by adopting Reuse, Recycle and Reduce methods such as reuse of water on cooling towers, and toilet flushing
 - 2) Reduction in energy consumption by 5%
 - 3) Water used in Chrome Scrubber is being reused back in the process for water make up.
 - 4) The Company has installed a grinding muck filtration unit where the coolant /neat cut oil is being filtered and reused back in the process.
 - 5) The grinding muck is being pressed to reduce volume of waste generation.
 - 6) The Hard chrome waste generated from the PVD process gets reutilized in the Ring foundry process.

Principle 3

1. Please indicate the Total number of employees - 5823
2. Please indicate the Total number of employees hire don' temporary/ contractual/ casual basis - 3325
3. Please indicate the Number of permanent women employees - 18
4. Please indicate the Number of permanent employees with disabilities - 27
5. Do you have an employee association that is recognized by management - Yes
6. What percentage of your permanent employees is members of this recognized employee association - 74%
7. Please indicate the Number of complaints relating to child labour, forced labour, in voluntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| No. | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|-----|---|--|--|
| 1 | Childlabour/ forced labour/ in voluntary labour | Nil | Nil |
| 2 | Sexual harassment | Nil | Nil |
| 3 | Discriminatory employment | Nil | Nil |

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year

| Sl. No. | Particulars | Bhiwadi Plant | Bangalore Plant | Patiala Plant |
|---------|--|---------------|-----------------|---------------|
| 1. | Permanent Employees | 100 | 56.4 | 72 |
| 2. | Permanent Women Employees | 100 | 100 | 100 |
| 3. | Casual/Temporary/Contractual Employees | 100 | 51.5 | 100 |
| 4. | Employees with Disabilities | NA | 34 | NA |

Principle 4

1. Has the company mapped its internal and external stake holders Yes/No
Yes, the Company has mapped its internal and external stake holders. Under the CSR programmes / projects the Company has been working for the upliftment of the less privileged/under privileged society. The Company considers stakeholders, both internal and external as an integral part of its business. Members are also requested to refer the CSR report forming part of Directors Report.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. Yes
3. Are there any special initiative taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details there of, inabout 50words or so.
The Company has taken various initiatives for the upliftment of under privileged section of society in various fields, such as, education, women empowerment, vocational trainings etc. Please also refer the CSR Report forming part of the Directors' Report.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/JointVentures/Suppliers/Contractors/NGOs/Others

The Company's manual on "Code of Conduct" and "Basic Working Conditions

Policy" supports the protection of human rights within the realm of its influence and is committed to the highest ethical standards. This Code of Conduct and Basic Working Conditions policy (the "Code of Conduct") represents the principles guiding the business practices of the Company. The Code of conduct is applicable on the Company, including its subsidiary companies.

2. How many stake holder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management

The Company received nil complaints from the shareholders. There were no complaints received from other stakeholders.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

Yes, the Company extends the principle to Group companies.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc Y/N. If yes, please give hyper link for web page etc.

Yes. The company has been taking initiatives to use alternate sources of energy, such as, wind energy, solar power & installation of LED lights.

3. Does the Company identify and assess potential environmental risks Y/N

Yes. The Company has a team of experts to prevent any Environmental Hazard and look after the environmental issues, if any. The Company regularly conducts meetings with the experts to know the potential environmental risks, if any. Currently there are no potential concerns.

4. Does the company have any project related to Clean Development Mechanism If so, provide details thereof, in about 50 words or so. Also ,if Yes, whether any environmental compliance report is filed?

The Company supports the cleaning the environmental, however, the Company is not engaged in the projects for which clean development mechanism is adopted. The Company is supporting the Environment by way of using Wind and Solar energy.

5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N.Ifyes,please give hyper link for web page etc.

Yes, there are various projects going on across the plants such as energy reduction/ energy efficiency programs, use of renewable energy, etc. but there is no hyperlink available.

6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported ?

Yes.

7. Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7

1. Is your company a member of any trade and chamber or association If Yes, Name only those major ones that your business deals with:

The Company is member of the American Chamber of Commerce and the Automotive Component Manufacturers Association of India (ACMA) only.

2. Have you advocated/ lobbied through above associations for the advance mentor improvement of public good Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energysecurity,Water,FoodSecurity,SustainableBusinessPrinciples,Others)

No, the Company has not advocated/lobbied through the above association for the advancement or improvement of public good. The CSR activities of the Company are specified in the CSR Report forming the part of the Directors' Report.

Principle 8

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8 If yes details there of.

The Company is engaged in various corporate social responsibility activities viz. Promotion of Education, Preventive Health care, Rural Development Project, Employment Enhancing Vocational Skills, Women Empowerment directly or through various NGO's.

2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization

The programmes/ projects are undertaken through in-house team and NGOs, both.

3. Have you done any impact assessment of your initiative

Yes, there has been positive impact of the initiatives being taken by the Company.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company's direct contribution to community development projects was Rs. 212.65 lacs during the last financial year. A report on CSR activities forms part of the attached Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company during the year 2018-19, worked on Promotion of Education, Preventive Health care, Rural Development Project, Employment Enhancing Vocational Skills, Women Empowerment directly and/or through NGO's having specialization in the respective fields. The Board of Directors of the Company has constituted a CSR Committee, which reviews and approves the CSR projects in line with the CSR policy of the Company and the applicable provisions of Companies Act, 2013 and/or the rules framed thereunder from time to time. Each of the Projects as approved by the CSR Committee is regularly monitored so as to ensure that the community is benefitted from each of the said projects.

Principle 9

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

Nil

2. Does the company display product information on the product label, over and above what is mandated as per local laws Yes/No/N.A./Remarks (additional information)

The required information as per applicable laws is displayed on the product label.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Nil

4. Did your company carry out any consumer survey/ consumer satisfaction trends

Yes

ANNEXURE-12 TO DIRECTORS' REPORT

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year :

| Sl. No. | Name of Director | Designation | Ratio to median remuneration of the employees |
|---------|-----------------------|---|---|
| 1 | Mr. Vinod Kumar Hans | Whole-time Managing Director | 39.46 |
| 2 | Dr. Khalid Iqbal Khan | Whole-time Director - Legal & Company Secretary | 19.21 |
| 3 | Mr. Manish Chadha | CFO & Finance Director | 20.29 |
| 4 | Mr. Rajesh Sinha | Whole-time Director | 23.27 |

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

| Sl. No. | Name of Director | Designation | % increase in remuneration |
|---------|-----------------------|---|----------------------------|
| 1 | Mr. Vinod Kumar Hans | Whole-time Managing Director | 8.95% |
| 2 | Dr. Khalid Iqbal Khan | Whole-time Director - Legal & Company Secretary | 7.5% |
| 3 | Mr. Manish Chadha | CFO & Finance Director | 8.5% |
| 4 | Mr. Rajesh Sinha | Whole-time Director | 8.5% |

- (iii) The percentage increase in the median remuneration of employees in the financial year – 2.70%

- (iv) The number of permanent employees on the rolls of Company – 3675

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration - The average percentile increase was 2.70% in the salaries of employees other than the Managerial Personnel. The percentile increase in the managerial remuneration is 8.5 %. Remuneration of Managerial Personnel is also based on individual contribution in meeting targets of the Company as well as various other factors such as competitive market practices, inflation etc.

- (v) It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

ANNEXURE-13 TO DIRECTORS' REPORT
Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Sr. No. | Name of Employee | Designation | Remuneration received | Nature of Employment (Contractual or otherwise) | Qualifications | Experience | Date of commencement Employment | Age (Years) | Last employment held before joining the Company | the percentage of equity shares held in the Company | whether a relative of any director or manager of the Company |
|---|----------------------|-----------------------------------|-----------------------|---|---|------------|---------------------------------|-------------|---|---|--|
| A. Employed throughout the year and in receipt of remuneration not less than Rs. 1,02,00,000 per annum | | | | | | | | | | | |
| 1. | Mr. Vinod Kumar Hans | Whole-time Managing Director | 1,64,46,248 | Contractual | B.E(Mech), PGDBM | 32 | 1-Jul-08 | 53 | GKN Driveline (India) Ltd. | Nil | No |
| 2. | Mr. Sreenivasan N V | Information System director-India | 1,13,86,742 | Contractual | DEE, B.Tech, Fast Track Business Management Program | 29 | 11-Jul-11 | 48 | Areva T & D India Ltd. | Nil | No |
| 3. | Mr. Rajesh Sinha | Whole-time Director | 1,04,11,559 | Contractual | B.E(Mech),MBA (Operations) | 23 | 02-Feb-07 | 49 | Hitech Gears Limited | Nil | No |
| B. Employed for a part of the year and in receipt of remuneration not less than Rs. 8,50,000 per month | | | | | | | | | | | |
| NIL | | | | | | | | | | | |

Notes:

- Remuneration includes Basic salary, HRA, Special Allowance, Car Allowance, Leave Travel Allowance, Medical reimbursement, Leave Pay, actual expenditure on rent free accommodation and benefits and amenities, contribution to provident fund, gratuity fund and contribution to superannuation fund (if applicable).
- All the above Appointments are contractual.

| Name of TOP 10 employees of the Company in terms of remuneration drawn as on 31st March 2019 | |
|--|-------------------------|
| Sl. No. | Name of Employee |
| Total Gross remuneration as on 31st March 2019 | |
| 1. | Mr. Vinod Kumar Hans |
| 2. | Mr. Sreenivasan N V |
| 3. | Mr. Rajesh Sinha |
| 4. | Mr. Manish Chadha |
| 5. | Mr. Sanjeev Sharma |
| 6. | Mr. Mritunjay Nath Sahu |
| 7. | Dr. Khalid Iqbal Khan |
| 8. | Mr. Naveen Sahni |
| 9. | Dr. Rakesh Kumar |
| 10. | Mr. Jasbir Singh |
| | 1,64,46,248 |
| | 1,13,86,742 |
| | 1,04,11,559 |
| | 91,94,610 |
| | 8,989,892 |
| | 8,472,613 |
| | 83,86,256 |
| | 7,723,578 |
| | 5,577,427 |
| | 4,975,144 |

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Federal-Mogul Goetze India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit(financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant

to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter

Provisions and contingent liabilities relating to litigations

As disclosed in Note 37 to the standalone financial statements, the Company is involved in various direct taxes, indirect taxes, labour laws and other litigations ('litigations') that are pending with various tax authorities and courts. The Company has recognised provisions aggregating to Rs. 2,181.50 lacs and disclosed contingent liabilities of Rs. 8,301.59 Lacs related to the same.

Whether a liability is recognised as a provision or disclosed as a contingent liability in the financial statements is inherently judgmental dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgements in respect to these demands against the Company.

The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around the various claims the determination of the need for creating a provision in the financial statements is inherently subjective and therefore is considered to be a key audit matter in the current year

How our audit addressed the key audit matter

Our audit procedures in relation to the provisions and contingent liabilities relating to litigations, included, but were not limited to, the following:

- Obtained an understanding of the management process for:
 - identification of legal and tax matters initiated against the Company,
 - assessment of accounting treatment for each such litigation identified under accounting principles of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, and
 - for measurement of amounts involved.
- Evaluated the design and tested the operating effectiveness of key controls around above process.

Test of details included, but were not limited to, the following-

- Obtained an understanding of the nature of litigations pending against the company and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Company.
- Assessed the Company's assumptions and estimates in respect of litigations, including the liabilities or provisions recognised or contingent liabilities disclosed in the financial statements. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts;
- Assessed management's conclusions through discussions held with the in house legal counsel and understanding precedents set in similar cases;

- Obtained and evaluating the responses in the independent confirmations obtained from the consultants representing the Company before the various authorities.
- For cases represented by consultants, reviewed each attorney's response obtained as above to ensure that the conclusions reached by the management are supported by sufficient legal rationale and adequate information is included for the management to determine the appropriate accounting treatment of such cases in the financial statements.
- Involved auditor's experts to assess the Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates in relation to uncertain tax positions, taking into account past precedents.
- Evaluated the disclosures made relating to provisions and contingent liabilities for their appropriateness.

Information other than the financial statements and Auditor Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance

including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable,

related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure Aa statement on the matters specified in paragraphs 3 and 4 of the Order.

17. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the

Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 28 May 2019 as per Annexure B expressed an unmodified opinion

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in note 37 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.:
001076N/N500013

Anamitra Das
Partner
Membership No.:062191

Place: Gurugram
Date: 28th May, 2019

Annexure A to the Independent Auditor's Report of even date to the members of Federal Mogul Goetze (India) Limited, on the standalone financial statements for the year ended 31 March 2019

Annexure A

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, and to the best of our knowledge and belief, we report that:

(I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of

inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) 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 sub-section (1) of Section 148 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.

(vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax act, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. 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 become payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

| Name of the statute | Nature of dues | Amount (Rs. in lacs) | Amount paid under protest (Rs. in lacs) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|----------------------|---|------------------------------------|--------------------------------|
| Income tax Act, 1961 | Income tax | 16.54 | - | 1995-1996 and 1996-1997 | Honorable High Court, Delhi |
| Income tax Act, 1961 | Income tax | 432.49 | - | 1997-98 | Honorable High Court, Delhi |
| Income tax Act, 1961 | Income tax | 122.25 | - | 1998-99 | Supreme Court |
| Income tax Act, 1961 | Income tax | 118.69 | - | 1999-00 | Supreme Court |
| Income tax Act, 1961 | Income tax | 57.58 | - | 2000-01 | Honorable Supreme Court |
| Income tax Act, 1961 | Income tax | 26.49 | - | 2001-02 | Income Tax Appellate Tribunal |
| Income tax Act, 1961 | Income tax | 166.48 | - | 2007-08 | High Court |
| Income tax Act, 1961 | Income tax | 71.55 | - | 2008-09 | High Court |

| Name of the statute | Nature of dues | Amount (Rs. in lacs) | Amount paid under protest (Rs. in lacs) | Period to which the amount relates | Forum where dispute is pending |
|------------------------------|----------------|----------------------|---|------------------------------------|---|
| Income tax Act, 1961 | Income tax | 944.68 | - | 2010-11 | Income Tax Appellate Tribunal |
| Income tax Act, 1961 | Income tax | 343.34 | - | 2011-12 | Commissioner of Income Tax (Appeals) |
| Income tax Act, 1961 | Income tax | 318.31 | - | 2012-13 | Commissioner of Income Tax (Appeals) |
| Income tax Act, 1961 | Income tax | 21.37 | - | 2014-15 | Commissioner of Income Tax (Appeals) |
| Income tax Act, 1961 | Income tax | 0.71 | - | 2015-16 | Assessing officer |
| The Central Excise Act, 1944 | Excise Duty | 9.34 | - | 1987-1990 | Honorable High Court of Punjab and Haryana |
| The Central Excise Act, 1944 | Excise Duty | 1.18 | - | 1995-1996 | Joint Commissioner of Central Excise |
| The Central Excise Act, 1944 | Excise Duty | 1.36 | - | 2003-2004 | Joint Commissioner of Central Excise, Patiala, Punjab |
| The Central Excise Act, 1944 | Excise Duty | 1.76 | - | 1997-1999 | Assistant Commissioner of Central Excise, Patiala, Punjab |
| The Central Excise Act, 1944 | Excise Duty | 1.86 | - | 1997-98 | Joint Commissioner of Central Excise, Patiala, Punjab |
| The Central Excise Act, 1944 | Excise Duty | 6.96 | - | 1998-1999 | Joint Commissioner of Central Excise |
| The Central Excise Act, 1944 | Excise Duty | 15.13 | - | 2000-2001 and 2001-2002 | Honorable Supreme Court |
| The Central Excise Act, 1944 | Excise Duty | 104.54 | 3.21 | 2001 - 2004 | Commissioner Appeals |
| The Central Excise Act, 1944 | Excise Duty | 44.12 | - | 2004-05 | Central Excise and Service Tax Appellate Tribunal. |
| The Central Excise Act, 1944 | Excise Duty | 3.32 | - | 2001-2002 | Additional Commissioner of Central Excise |
| Finance Act, 1994 | Service tax | 96.11 | - | 2005-2011 | Joint Commissioner of Central Excise, Patiala, Punjab |
| Finance Act, 1994 | Service tax | 86.44 | 25.00 | 2006-2007 | Central Excise and Service Tax Appellate Tribunal |
| Finance Act, 1994 | Service tax | 3.55 | - | 2008-11 | Assistant Commissioner, Bhiwadi, Rajasthan |
| Finance Act, 1994 | Service tax | 55.28 | - | | Joint commissioner, jaipur Rajasthan |
| Finance Act, 1994 | Service tax | 310.40 | 330.18 | 2008-12 | CESTAT |
| Finance Act, 1994 | Service tax | 16.61 | - | 2009-10 | Joint Commissioner, Jaipur, Rajasthan |
| Finance Act, 1994 | Service tax | 10.70 | - | 2011-2013 | Joint Commissioner (Appeals) |
| Finance Act, 1994 | Service tax | 5.81 | 0.58 | 2012-2013 | Commissioner of Central Excise |
| Finance Act, 1994 | Service tax | 18.12 | - | 2012-2013 | Joint Commissioner (Appeals) |
| Finance Act, 1994 | Service tax | 113.70 | 4.60 | May 2005 to July 2005 | Central Excise and Service Tax Appellate Tribunal |
| Finance Act, 1994 | Service tax | 194.00 | 14.60 | Oct 2008 to March 2013 | CESTAT |

| Name of the statute | Nature of dues | Amount (Rs. in lacs) | Amount paid under protest (Rs. in lacs) | Period to which the amount relates | Forum where dispute is pending |
|---------------------------------|-----------------|----------------------|---|------------------------------------|--|
| Finance Act, 1994 | Service tax | 5.90 | - | 2014 | Additional Commissioner |
| Finance Act, 1994 | Service tax | 19.11 | - | 2013-14 | Additional Commissioner |
| Finance Act, 1994 | Service tax | 48.53 | - | | Deputy Commissioner |
| West Bengal VAT Act,2003 | Value added tax | 1.56 | - | 2001-2002 | Commissioner (Appeals) |
| West Bengal VAT Act,2003 | Value added tax | 1.87 | - | 2004-2005 | Commissioner (Appeals) |
| West Bengal VAT Act,2003 | Value added tax | 1.76 | - | 2006-2007 | Commissioner (Appeals) |
| West Bengal VAT Act,2003 | Value added tax | 1.18 | - | 2006-2007 | Commissioner (Appeals) |
| Karnataka VAT Act, 2003 | Value Added tax | 1.36 | - | 2007-2008 | Assistant . Commissioner, Bangalore |
| Karnataka VAT Act ,2003 | Value Added tax | 410.00 | - | 2007-2011 | ACCT, Audit Bangalore, |
| Kanrataka VAT Act, 2003 | Value added tax | 13.38 | - | 2008-09 | Joint Commissioner Appeal |
| Uttranchal VAT Act,2005 | Value Added Tax | 33.38 | 33.39 | 2010-11 | Special Commissioner Objection Hearing |
| Maharastra VAT Demand Act, 2002 | Value Added Tax | 23.88 | 2.50 | 2012-13 | Special Commissioner Objection Hearing |
| Gujarat VAT Demand Act, 2003 | Value Added Tax | 568.25 | 56.83 | 2012-13 | Special Commissioner Objection Hearing |
| Gujarat CST Demand | Value Added Tax | 39.28 | 3.93 | 2012-13 | Special Commissioner Objection Hearing |
| Andhra Pradesh VAT Act, 2005 | Value added tax | 35.00 | 5.48 | 2013-14 | Deputy Commissioner, Appeal |
| Rajasthan VAT Act, 2003 | Value Added Tax | 3,491.31 | - | 2015-17 | Assistant Commissioner, Bhiwadi, Rajasthan |
| Income tax Act, 1961 | Wealth Tax | 4 | - | 2005-06 | Income Tax Appellate Tribunal |

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP**Chartered Accountants**Firm's Registration No.: **001076N/N500013****Anamitra Das**

Partner

Membership No.: 062191

Place: Gurugram

Date: 28th May 2019

Annexure B to the Independent Auditor's Report of even date to the members of Federal-Mogul Goetze (India) Limited, on the standalone financial statements for the year ended 31st March 2019

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of **Federal-Mogul Goetze** ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control on financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary companies aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed

under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on Internal Financial Controls Over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants

Firm's Registration No.:
001076N/N500013

Anamitra Das
Partner

Membership No.:062191

Place: Gurugram
Date: 28th May 2019

Federal-Mogul Goetze (India) Limited Abridged Standalone Balance Sheet as at 31 March 2019

(Statement containing the salient features of Balance Sheet as per first proviso to sub-section 1 of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

| | Rs. in lacs | |
|--|--------------------------------|--------------------------------|
| | As at 31 March 2019 | As at 01 April 2018 |
| ASSETS | | |
| (1) Non-current assets | | |
| Property, plant and equipment | 54,034.00 | 51,342.55 |
| Capital work-in-progress | 2,805.67 | 3,308.51 |
| Intangible assets | 37.69 | 61.16 |
| Financial assets | | |
| - Investments | 516.94 | 513.25 |
| - Loans | 1,210.53 | 1,411.40 |
| - Other financial assets | 595.32 | 567.24 |
| Current tax assets (net) | 362.55 | 284.04 |
| Other non-current assets | 1,309.65 | 1,582.34 |
| | 60,872.35 | 59,070.49 |
| (2) Current assets | | |
| Inventories | 20,669.78 | 18,201.90 |
| Financial assets | | |
| - Trade receivables | 22,883.99 | 20,808.64 |
| - Cash and cash equivalents | 942.21 | 436.53 |
| - Loans | 108.38 | 70.77 |
| - Other financial assets | 1,252.15 | 1,110.15 |
| Other current assets | 2,129.07 | 2,196.99 |
| | 47,985.58 | 42,824.98 |
| Total of (1) to (2) | 108,857.93 | 101,895.47 |
| EQUITY AND LIABILITIES | | |
| (3) Equity | | |
| a) Equity share capital | 5,563.21 | 5,563.21 |
| b) Other equity | | |
| i. Capital reserve | 56.55 | 56.55 |
| ii. Capital redemption reserve | 1,000.00 | 1,000.00 |
| iii. Securities premium account | 26,750.74 | 26,750.74 |
| iv. Retained earnings | 39,970.26 | 31,415.29 |
| | 73,340.76 | 64,785.79 |
| Liabilities | | |
| (4) Non-current liabilities | | |
| Financial liabilities | | |
| Provisions | 3,741.59 | 4,997.47 |
| Deferred tax liabilities (net) | 1,936.47 | 1,412.39 |
| | 5,678.06 | 6,409.86 |
| (5) Current liabilities | | |
| Financial liabilities | | |
| - Borrowings | 6,661.45 | 6,812.67 |
| - Trade payables | | |
| - total outstanding dues of micro enterprises and small enterprises | 2,050.15 | 512.44 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 16,292.75 | 17,240.99 |
| - Other financial liabilities | 938.08 | 930.79 |
| Other current liabilities | 1,807.48 | 2,254.71 |
| Provisions | 2,089.20 | 2,417.74 |
| Current tax liabilities (net) | - | 530.48 |
| | 29,839.11 | 30,699.82 |
| Total of (3) to (5) | 108,857.93 | 101,895.47 |

The above balance sheet should be read in conjunction with the accompanying notes
This is the Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants

Anamitra Das
Partner

Place: Gurugram
Date: 28th May 2019

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

Vinod Kumar Hans
Whole Time Managing Director
DIN : 03328309

Khalid Iqbal Khan
Whole Time Director- Legal & Company Secretary
DIN : 05253556

Manish Chadha
Chief Finance Officer & Finance Director
DIN : 07195652

Federal-Mogul Goetze (India) Limited Abridged Standalone Statement of Profit and Loss for the year ended 31 March 2019

(Statement containing the salient features of Balance Sheet as per first proviso to sub-section 1 of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

| | Rs. in lacs | |
|--|-----------------------------|-----------------------------|
| | 31 March 2019 Year ended | 31 March 2018 Year ended |
| INCOME | | |
| Sale of products | 127,872.95 | 130,144.38 |
| Other operating revenue | | |
| Job work income | 1,514.89 | 1,586.58 |
| Export incentives | 599.76 | 488.99 |
| Scrap sales | 1,910.30 | 1,513.36 |
| I. Revenue from operations | 131,897.90 | 133,733.31 |
| II. Other income | 2,849.34 | 2,487.99 |
| III. Total Income (I +II) | 134,747.24 | 136,221.30 |
| IV. Expenditure | | |
| (a) Cost of materials consumed | 45,921.00 | 40,604.34 |
| (b) Excise duty | - | 3,346.37 |
| (c) Purchases of stock-in-trade | 1,451.74 | 1,377.18 |
| (d) Changes in inventories of finished goods, work- in-progress and stock-in-trade | (2,833.59) | 848.67 |
| (e) Employee benefit expense | 29,757.16 | 28,632.54 |
| (f) Finance cost | 874.30 | 1,020.06 |
| (g) Depreciation and amortisation expense | 8,151.33 | 7,343.32 |
| (h) Other expenses | 38,582.53 | 39,770.87 |
| Total expenses (a to h) | 121,904.47 | 122,943.35 |
| V. Profit before tax | 12,842.77 | 13,277.95 |
| VI. Tax expense | | |
| 1. Current tax | 4,231.16 | 4,650.00 |
| 2. Deferred tax expense | 360.76 | 332.99 |
| Total tax expense | 4,591.92 | 4,982.99 |
| VII. Profit/(Loss) for the year (V- VI) | 8,250.85 | 8,294.96 |
| VIII. Other Comprehensive Income | | |
| A (i) Items that will not be reclassified to profit or loss | | |
| Remeasurements of the post employment defined benefit plans (gain)/loss | (467.44) | (365.86) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 163.32 | 126.63 |
| Total Other Comprehensive (Income) / Expense | (304.12) | (239.23) |
| IX. Total Comprehensive Income | 8,554.97 | 8,534.19 |
| Earnings per equity share (of Rs. 10/- each) | | |
| Basic (Rs) | 14.83 | 14.91 |
| Diluted (Rs) | 14.83 | 14.91 |

The above statement of profit and loss should be read in conjunction with the accompanying notes. This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandniok & Co LLP
Chartered Accountants

Anamitra Das
Partner

Place: Gurugram
Date: 28th May 2019

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

Vinod Kumar Hans
Whole Time Managing Director
DIN : 03328309

Khalid Iqbal Khan
Whole Time Director- Legal & Company Secretary
DIN : 05253556

Manish Chadha
Chief Finance Officer & Finance Director
DIN : 07195652

Federal-Mogul Goetze (India) Limited
Abridged Cash flow statement for the year ended 31 March 2019

| | Rs. in lacs | |
|---|----------------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| | Year ended | Year ended |
| 1. Cash flow from operating activities | 11,571.63 | 12,955.03 |
| 2. Cash used in investing activities | (10,085.71) | (7,576.22) |
| 3. Cash used in financing activities | (830.64) | (5,869.05) |
| 4. Net increase in cash and cash equivalents (1+2+3) | 655.28 | (490.24) |
| 5. Cash and cash equivalents at the beginning of the year | 285.48 | 775.72 |
| 6. Cash and cash equivalents at the end of the year | 940.76 | 285.48 |

Notes:

1. The above Abridged Cash Flow Statement has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS) 7 on "Cash Flow Statement" notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Company (Accounts) Rules 2014.
2. Figures in brackets indicate cash outflow.
3. Cash and cash equivalents includes cash and cheques on hand and bank balances.
4. The notes referred to in the Abridged Balance Sheet and Abridged Statement of Profit and Loss forms an integral part of the Abridged Cash Flow Statement.
5. Previous period figures have been regrouped and recasted, wherever necessary, to conform to the current year's classification.

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

For Walker Chandiook & Co LLP
Chartered Accountants

Anamitra Das
 Partner

Place: Gurugram
 Date: 28th May 2019

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

Vinod Kumar Hans
 Whole Time Managing Director
 DIN : 03328309

Khalid Iqbal Khan
 Whole Time Director- Legal & Company Secretary
 DIN : 05253556

Manish Chadha
 Chief Finance Officer & Finance Director
 DIN : 07195652

Federal-Mogul Goetze (India) Limited
Statement of changes in equity as at 31 March 2019

Rs. in lacs

| Particulars | Balance as at 01 April 2017 | Change in equity share capital during the year | Balance as at 31 March 2018 | Change in equity share capital during the year | Balance as at 31 March 2019 |
|--------------------------------|-----------------------------|--|-----------------------------|--|-----------------------------|
| A) Equity share capital | 5,563.21 | - | 5,563.21 | - | 5,563.21 |

| Particulars | Reserves and surplus | | | | |
|--|----------------------|----------------------------|--------------------|-------------------|------------------|
| | Capital reserve | Capital redemption reserve | Securities premium | Retained earnings | Total |
| Balance as at 01 April 2017 | 56.55 | 1,000.00 | 26,750.74 | 22,881.10 | 50,688.39 |
| Additions during the year: - | | | | | |
| Profit for the year | - | - | - | 8,294.96 | 8,294.96 |
| Items of Other Comprehensive Income for the year, net of tax | - | - | - | 239.23 | 239.23 |
| Balance as at 31 March 2018 | 56.55 | 1,000.00 | 26,750.74 | 31,415.29 | 59,222.58 |
| Additions during the year: | | | | | |
| Profit for the year | - | - | - | 8,250.85 | 8,250.85 |
| Items of Other Comprehensive Income for the year, net of tax | - | - | - | 304.12 | 304.12 |
| Balance as at 31 March 2019 | 56.55 | 1,000.00 | 26,750.74 | 39,970.26 | 67,777.55 |

This is the Statement of changes in equity referred to in our report of even date.

For Walker Chandiook & Co LLP
Chartered Accountants

Anamitra Das
 Partner

Place: Gurugram
 Date: 28th May 2019

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

Vinod Kumar Hans
 Whole Time Managing Director
 DIN : 03328309

Khalid Iqbal Khan
 Whole Time Director- Legal & Company Secretary
 DIN : 05253556

Manish Chadha
 Chief Finance Officer & Finance Director
 DIN : 07195652

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**1. Corporate information**

Federal-Mogul Goetze (India) Limited ('FMGIL' or 'the Company'), is inter-alia engaged mainly 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), Bengaluru (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 Tenneco Inc., USA (from 01 October 2018, erstwhile parent Federal Mogul LLC, USA).

Statement of significant accounting policies**2.1 Statement of compliance with Ind AS**

These financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2019 were authorised and approved for issue by the Board of Directors on 28 May 2019.

2.2 Standards issued but not yet effective**Recent accounting pronouncement****a) Ind AS 116 "Leases":**

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1 April 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors"
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application; or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

b) Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

c) Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not have any impact on account of this amendment.

2.3 Summary of Significant Accounting Policies

a) Overall consideration

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

Basis of preparation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

b) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

c) 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 year. 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 recognised in the current and future periods.

d) Property, plant and equipment

Recognition and initial measurement

Property plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

| Asset Class | Estimated useful life (in years) |
|------------------------|---|
| Plant & Machinery | 5 to 21 years |
| Furniture and fixtures | 3 to 10 years |
| Vehicles | 8 to 10 years |
| Computers | 3 years |
| Building | 20 to 30 years |
| Leasehold land | 99 years |

**Summary of significant accounting policies and other explanatory information for the year ended
31 March 2019**

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

e) Intangible assets*Recognition and initial measurement*

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation)

The cost of capitalised software is amortised over a period in the range of 5 years from the date of its acquisition.

f) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

g) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

h) Financial instruments*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

**Summary of significant accounting policies and other explanatory information for the year ended
31 March 2019****Non-derivative financial assets***Subsequent measurement*

- i. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.
- ii. Investments in equity instruments of subsidiaries– Investments in equity instruments of subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

Non-derivative financial liabilities*Subsequent measurement*

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Fair Value of financial instrument

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal Market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

i) Leases

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Company as a lessee

Lease rental are charged to statement of profit and loss on straightline basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

Company as a lessor

Rental income is recognised on straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

k) Inventories

Inventories are valued as follows:

| | |
|--|---|
| Raw materials, components, stores and spares and bought out tools. | Lower of cost and net realisable 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 realisable 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 realisable 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 realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Cost is determined on a weighted average basis. |
| - Traded | Lower of cost and net realisable 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 realisable value. |

Net realisable 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.

l) Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good (or a bundle of goods) to the customer and is the unit of account in Ind AS 115. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue, as or when, the performance obligation is satisfied. The Company recognises revenue when it transfers control of a product to a customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes tax and duties collected on behalf of the government. The Company recognises revenue from the following major sources:

i) Sale of products

Revenue from sale of products is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. It is measured at fair value consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company recognises revenue when it transfers control over a product to a customer i.e. when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the Balance Sheet under other current liabilities (refer note).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily products under arrangements in which the transfer of control of the products and the fulfilment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognised when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Company, generally the criteria to recognise revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers, this is the point in time when the Company has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 30-60 days.

Variable considerations associated with such sales

Periodically, the Company launches various volume or other rebate programs where once a certain volume or other conditions are met, it gives the customer as volume discount some portion of the amounts previously billed or paid. For such arrangements, the Company only recognises revenue for the amounts it ultimately expects to realise from the customer. The Company estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates each reporting period.

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 recorded on accrual basis using the effective interest rate (EIR) method

iv) Dividends:

Revenue is recognised when the shareholders' 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 recognised in the profit and loss account 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 recognised as per the terms of the agreement based upon the services completed.

viii) Lease income:

Rental income is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises and where scheduled increase in rent compensates the lessor for expected inflationary costs.

m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the 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.

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary interruption.

**Summary of significant accounting policies and other explanatory information for the year ended
31 March 2019****n) Foreign Currency Transactions**

Functional and presentation currency

The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Company.

Transactions and balances

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

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on such conversion and settlement at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

o) 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 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.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to other comprehensive income in the year in which such gains or losses are determined.

(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.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to statement of profit and loss in the year in which such gains or losses are determined.

(iv) 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.

(v) National Pension Scheme

The Company makes specified monthly contributions towards national pension scheme to government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

p) Income Taxes

Tax expense recognised in the statement of profit and loss comprises of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

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 tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (including Minimum Alternate Tax ('MAT') credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Tax expense relating to items recognised in OCI or directly in equity is recognised outside profit or loss (in OCI or equity).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

q) Earnings per Share

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

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

r) Provisions, contingent liabilities and contingent assets

Provisions are recognised 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 discounted to their present values, where the time value of money is material. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no provision is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

s) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

t) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors assess the financial performance and position of the Company, and makes strategic decisions and therefore the board would be the chief operating decision maker. The Company's primary business segment is manufacturing and trading of auto components. Considering the nature of Company's business and operations, there is only one reportable business segment.

u) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Summary of significant accounting policies and other explanatory information for the year ended
31 March 2019**

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee’s option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset’s economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Contingent Liabilities - The Company is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Provision for warranties – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from this judgement.

Significant estimates

Recoverability of advances/receivables - At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

Defined benefit obligation (DBO) – Management’s estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs
3. Fair value disclosures
i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

- (ii) Company has only one investment carried at fair value through profit and loss account. The fair value of investment in GI Power Corporation Limited is determined to be zero. There are no other financial assets or liabilities carried at fair value.

(iii) Fair value of instruments measured at amortised cost

Cash and cash equivalents, other bank balances, trade receivables, other current financial assets, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the long term borrowings are determined by using discounted cash flow method using the appropriate discount rate. The discount rate is determined using other similar instruments incorporating the risk associated.
- The fair values of the unquoted investments in Shares of Vyshali Energy Private Limited is shown at cost as in accordance with agreement with parties.
- Loans are shown at cost as the same are given to government authorities till perpetuity.

4. Financial risk management
i) Financial instruments by category

| Particulars | As at 31 March 2019 | | | As at 31 March 2018 | | |
|---|---------------------|-------|------------------|---------------------|-------|------------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments*# | ** | - | 6.94 | ** | - | 3.25 |
| Loans | - | - | 1,318.91 | - | - | 1,482.17 |
| Trade receivables | - | - | 22,883.99 | - | - | 20,808.64 |
| Cash and cash equivalents | - | - | 942.21 | - | - | 436.53 |
| Other financial assets | - | - | 1,847.47 | - | - | 1,677.39 |
| Total | - | - | 26,999.52 | - | - | 24,407.99 |
| Financial liabilities | | | | | | |
| Borrowings (including interest accrued on borrowings) | - | - | 6,702.63 | - | - | 6,879.12 |
| Trade payable | - | - | 18,342.90 | - | - | 17,753.43 |
| Other financial liabilities (excluding interest accrued on borrowings) | - | - | 896.90 | - | - | 864.34 |
| Total | - | - | 25,942.43 | - | - | 25,496.89 |

*Investment in equity instrument of subsidiary has been accounted at cost in accordance with Ind AS 27, therefore not within scope of Ind AS 109, hence, not included here.

** The company has an investment in GI Power Corporation Limited which is carried at fair value which is equivalent to zero."

shown at cost, as per the agreement with party.

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs
ii) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

A) Credit risk

"Credit risk is the risk that a counter party fails to discharge an obligation to the company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The Company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets. - cash and cash equivalents, - trade receivables, - loans & receivables measured at amortised cost, and- deposits with banks"

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counter parties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk –

| Credit rating | Particulars | As at | As at |
|---------------|---------------------------|---------------|---------------|
| | | 31 March 2019 | 31 March 2018 |
| A: Low | Cash and cash equivalents | 942.21 | 436.53 |
| | Other financial assets | 1,847.47 | 1,677.39 |
| | Trade receivables | 23,002.76 | 20,959.47 |
| | Loan | 1,318.91 | 1,482.18 |
| C: High | Trade receivables | 166.83 | 61.10 |

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become six months past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

Rs. in lacs

b) Expected credit losses

The Company provides for expected credit losses based on the following:

The company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default based on the criteria defined above. And such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables.

| Particulars | As at 31 March 2019 | | As at 31 March 2018 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | >365 Days | 0 - 365 Days | >365 Days | 0 - 365 Days |
| Gross amount of trade receivables where no default (as defined above) has occurred | 166.82 | 23,002.77 | 61.10 | 20,959.47 |
| Expected loss rate (in %) | 100% | 0.52% | 100% | 0.72% |
| Expected credit loss(loss allowance provision) | 166.82 | 118.78 | 61.10 | 150.83 |

Reconciliation of loss provision – lifetime expected credit losses

| Reconciliation of loss allowance | Trade receivable |
|---|------------------|
| Loss allowance on 31 March 2017 | 167.38 |
| Impairment loss recognised during the year | 44.55 |
| Amounts written off | - |
| Loss allowance on 31 March 2018 | 211.93 |
| Impairment loss recognised/reversed during the year | 73.67 |
| Amounts written off | - |
| Loss allowance as on 31 March 2019 | 285.60 |

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyses the Company's financial liabilities into relevant maturity classification based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. For balances due within 12 months amounts equal their carrying values as the impact of discounting is not significant.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

| Rs. in lacs | | | | | |
|-----------------------------|---------------------|----------|----------|----------------------|------------------|
| 31 March 2019 | Less than 1 year | 1-3 year | 3-5 year | More than 5 years | Total |
| Short term borrowings | 6,702.63 | - | - | - | 6,702.63 |
| Trade payable | 18,342.90 | - | - | - | 18,342.90 |
| Other financial liabilities | 896.90 | - | - | - | 896.90 |
| Total | 25,942.43 | - | - | - | 25,942.43 |
| 31 March 2018 | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | Total |
| Short term borrowings | 6,879.12 | - | - | - | 6,879.12 |
| Trade payable | 17,753.43 | - | - | - | 17,753.43 |
| Other financial liabilities | 864.34 | - | - | - | 864.34 |
| Total | 25,496.89 | - | - | - | 25,496.89 |

C) Market Risk
a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Euro and Japanese Yen. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Company. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited and the Company hence does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes.

(i) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs, are as follows

| Particulars | FC | As at 31 March 2019 | As at 31 March 2018 |
|--|-----|------------------------|------------------------|
| Financial liabilities | | | |
| Creditors | USD | 386.85 | 434.27 |
| | EUR | 718.29 | 2,036.99 |
| | GBP | 263.65 | 184.82 |
| | JPY | 96.06 | 161.36 |
| | SEK | 5.81 | 2.47 |
| | CHF | 0.14 | 2.05 |
| | | 1,470.80 | 2,821.96 |
| Financial assets | | | |
| Debtors | USD | 2,694.10 | 3,146.99 |
| | EUR | 355.41 | 351.52 |
| | | 3,049.51 | 3,498.51 |
| Net exposure to foreign currency risk (assets) | | 1,578.71 | 676.55 |

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs
Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| USD sensitivity | | |
| INR/USD- increase by 500 bp (31 March 2018 500 bp)* | 115.36 | 135.64 |
| INR/USD- decrease by 500 bp (31 March 2018 500 bp)* | (115.36) | (135.64) |
| EUR sensitivity | | |
| INR/EUR- increase by 500 bp (31 March 2018 500 bp)* | (18.14) | (84.27) |
| INR/EUR- decrease by 500 bp (31 March 2018 500 bp)* | 18.14 | 84.27 |
| GBP sensitivity | | |
| INR/GBP- increase by 500 bp (31 March 2018 500 bp)* | (13.18) | (9.24) |
| INR/GBP- decrease by 500 bp (31 March 2018 500 bp)* | 13.18 | 9.24 |
| JPY sensitivity | | |
| INR/JPY- increase by 500 bp (31 March 2018 500 bp)* | (4.80) | (8.07) |
| INR/JPY- decrease by 500 bp (31 March 2018 500 bp)* | 4.80 | 8.07 |
| SEK sensitivity | | |
| INR/SEK- increase by 500 bp (31 March 2018 500 bp)* | (0.29) | (0.12) |
| INR/SEK- decrease by 500 bp (31 March 2018 500 bp)* | 0.29 | 0.12 |
| CHF sensitivity | | |
| INR/CHF- increase by 500 bp (31 March 2018 500 bp)* | (0.01) | (0.10) |
| INR/CHF- decrease by 500 bp (31 March 2018 500 bp)* | 0.01 | 0.10 |

* Holding all other variables constant

b) Interest rate risk
i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|-------------------------|------------------------|------------------------|
| Variable rate borrowing | 1.45 | 151.05 |
| Fixed rate borrowing | 6,701.18 | 6,728.07 |
| Total borrowings | 6,702.63 | 6,879.12 |

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs
Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| Interest sensitivity* | | |
| Interest rates – increase by 50 bp basis points | (0.01) | (0.76) |
| Interest rates – decrease by 50 bp basis points | 0.01 | 0.76 |

* Holding all other variables constant

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

5. Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Total debt | 6,702.63 | 6,879.12 |
| Less: Cash and bank balances | 942.21 | 436.53 |
| Net debt | 5,760.43 | 6,442.59 |
| Total equity (as shown on the face of balance sheet) | 73,340.76 | 64,785.79 |
| Net debt to equity ratio (in %) | 7.28% | 9.04% |

The Company has not declared dividend in current year or previous year.

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs
6. Capital commitments

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Property, plant and equipment (net of advances paid) | 1,907.46 | 2,375.90 |
| | 1,907.46 | 2,375.90 |

7. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Current assets | | |
| Inventories, cash and cash equivalents and trade receivables | 44,495.98 | 39,447.07 |
| Total current assets pledged as security | 44,495.98 | 39,447.07 |

8. Segment information

As the Company's business activities fall within a single primary business segment viz. auto components for automobile industry, the disclosure requirement of Indian Accounting Standard (Ind AS-108), Operating Segments is not applicable.

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. Revenue from one customer amounts to Rs.13,665.98 lacs (previous year Rs.13,437.40 lacs). No other single customer represents 10% or more to the Group revenue for financial year ended March 31, 2019 and March 31, 2018.

Geographical information in respect of revenue from customer is given below:

| Particulars | 31 March 2019 Year ended | 31 March 2018 Year ended |
|-----------------|-----------------------------|-----------------------------|
| India | 116,325.18 | 115,574.50 |
| Other countries | 11,547.77 | 14,569.88 |
| | 127,872.95 | 130,144.38 |

Carrying amount of segment debtors by geographical market (net of provision)

| Particulars | 31 March 2019 Year ended | 31 March 2018 Year ended |
|-----------------|-----------------------------|-----------------------------|
| India | 19,557.66 | 17,886.70 |
| Other countries | 3,326.33 | 2,921.94 |
| | 22,883.99 | 20,808.64 |

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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs
9. Contingent liabilities

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| (i) Excise duty | | |
| (a) Cases decided in the Company's favour by Appellate authorities department has filed further appeal and show cause notices/orders on the same issues for other periods | 73.13 | 73.13 |
| (b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods | 16.43 | 45.89 |
| (c) Show cause notices on issues yet to be adjudicated | 282.45 | - |
| Total | 372.01 | 119.02 |
| (ii) Service tax | | |
| (a) Cases decided in the Company's favour by Appellate authorities department has filed further appeal and show cause notices/orders on the same issues for other periods | 48.53 | - |
| (b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods | 617.86 | 631.06 |
| Total | 666.39 | 631.06 |
| (iii) Sales tax | | |
| (a) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods | 4,368.83 | 2,044.67 |
| Total | 4,368.83 | 2,044.67 |
| (iv) Income tax | | |
| (a) Cases decided in the Company's favour by Appellate authorities department has filed further appeal and show cause notices/orders on the same issues for other periods | 834.92 | 532.27 |
| (b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods | 1,654.82 | 848.64 |
| (c) Show cause notices on issues yet to be adjudicated | 83.42 | 184.00 |
| Total | 2,573.16 | 1,564.91 |
| (v) Others | | |
| (a) Employee related cases | 268.96 | 299.27 |
| (b) Electricity demand | 52.24 | 52.24 |
| Total | 321.20 | 351.51 |

Notes to the Standalone Financial Statements for the year ended 31 March 2019

10. Related Party Transactions

(i) In accordance with the requirement of Indian Accounting Standard (Ind AS - 24) 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- Tenneco Inc, USA (refer note no. 12)

(b) Key managerial personnel

- Mr. Vinod Kumar Hans, Whole Time Managing Director
- Mr. Manish Chadha, Chief Finance Officer & Finance Director
- Mr. Rajesh Sinha, Additional Director
- Mr. Khalid Iqbal Khan, Whole Time Director- Legal and Company Secretary
- Mr. Krishnamurthy Naga Subramaniam, Non-executive Director
- Mr. Mukul Gupta, Non-executive Director
- Mr. Sundareshan Kanakku Chembakaraman Pillai, Non-executive Director
- Mr. Mahendra Kumar Goyal, Non-executive Director

(c) Fellow and step 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 Limited. (U.K.)
- Federal Mogul Friction Products Limited (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 Limited.
- Federal Mogul Worldwide Aftermarket
- Federal Mogul Sistemas Brazil
- Federal Mogul Dongsuh Piston Co. Limited. (China)
- Federal Mogul Bradford Limited.
- Federal Mogul Powertrain Spara, MII
- Federal Mogul KK Yokohama"
- Federal Mogul Powertrain Inc, Southbend
- Federal Mogul Chasseneuil
- Federal Mogul Motorparts LLC
- Federal Mogul Naberezhnye Chelny
- Federal Mogul S De RI De Cv
- Federal Mogul Kontich
- Federal Mogul Anand Bearings India Limited (India)
- Federal-Mogul Ignition Products India Limited (India)
- Federal-Mogul Powertrain Solutions India Private Limited (India)
- Federal Mogul Anand Sealing India Limited (India)
- Motocare India Private Limited (India)
- Federal-Mogul Motorparts India Limited (India)

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs

(ii) Those transactions along with related balances as at 31 March 2019 and 31 March 2018 are presented in the following table:

| Particulars | Ultimate Holding Company Tennoco Inc. (USA) | |
|---|--|----------------------------------|
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Sales | - | - |
| Purchase of raw material | - | - |
| Expenses incurred on Company's behalf | - | - |
| Expenses incurred by Company | 224.89 | 291.58 |
| Balance outstanding as at the end of the year (payables) | (3.62) | |
| Balance outstanding as at the end of the year receivables | - | 67.54 |

| Particulars | Fellow Subsidiaries | | | | | | | |
|---|--|----------------------------------|---|----------------------------------|--|----------------------------------|--|----------------------------------|
| | Federal-Mogul Bradford Limited (Germany) | | Federal-Mogul Burscheid GMBH, (Germany) | | Federal-Mogul Gorzeye S.A (Poland) | | Federal Mogul Motorparts LLC (China) | |
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Sales | - | - | - | - | - | - | 5,361.16 | 5,025.31 |
| Purchase of raw material | 361.90 | 980.86 | 503.60 | 301.21 | 8.87 | 59.70 | - | - |
| Purchase of fixed assets | - | - | 1,825.41 | 450.80 | 323.92 | - | - | - |
| Interest Expenses | - | - | - | - | - | - | - | - |
| Expenses incurred on Company's behalf | - | - | 14.93 | - | - | - | - | - |
| Expenses incurred by Company | - | - | (0.74) | - | - | - | - | - |
| Service Income | - | - | - | - | - | - | - | - |
| Royalty Expenses | - | - | 958.32 | 792.15 | - | - | - | - |
| Balance outstanding as at the end of the year (payables) | (101.11) | (162.41) | (467.83) | (574.99) | - | - | (18.72) | (17.64) |
| Balance outstanding as at the end of the year receivables | - | - | - | - | - | - | 1,730.58 | 2,057.69 |

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs

| Particulars | Fellow Subsidiaries | | | | | | | |
|---|--|----------------------------------|---|----------------------------------|---|----------------------------------|--|----------------------------------|
| | Federal-Mogul Nurnberg, GMBH (Germany) | | Federal-Mogul Thailand Manufacturing Ayutthaya (Thailand) | | Federal-Mogul Holding Deutschland | | Federal-Mogul Naberezhnye Chelny | |
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Sales | 2.15 | 10.35 | 102.21 | 3,762.17 | - | - | 453.60 | 417.24 |
| Purchase of raw material | 91.46 | 70.19 | - | - | - | - | - | - |
| Purchase / (Sale) of Fixed Assets | 337.32 | 36.28 | - | - | - | - | - | - |
| Interest Expenses | - | - | - | - | - | - | - | - |
| Management Support charges | - | - | - | - | 3,211.68 | 3,016.57 | - | - |
| Expenses incurred on Company's behalf | - | - | - | 40.17 | - | - | - | - |
| Expenses incurred by Company | - | (3.14) | - | - | - | - | - | - |
| Royalty Expense | 1,062.86 | 895.17 | - | - | - | - | - | - |
| Balance outstanding as at the end of the year (payable) | (305.22) | (528.18) | - | - | - | - | - | - |
| Balance outstanding as at the end of the year receivables | 1.29 | 9.34 | 99.44 | 161.48 | 1,122.61 | - | 20.04 | 23.56 |

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs

| Particulars | Fellow Subsidiaries | | | | | | | | | |
|---|-------------------------------|-------------------------------|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Federal Mogul S De RI De Cv | | Federal-Mogul Sintered Products Limited, (U.K) | | Federal-Mogul Friedberg GMBH | | Federal-Mogul Ltd-UK | | Other fellow subsidiaries | |
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Sales | - | - | - | - | 148.82 | 101.86 | - | - | 40.42 | 24.26 |
| Purchase of raw material | - | - | 375.12 | 135.78 | 238.82 | 101.90 | - | - | 15.17 | 29.34 |
| Purchase / (Sale) of Fixed Assets | 142.51 | - | 33.02 | - | - | - | - | - | - | - |
| Trade Mark & license fees | - | - | - | - | - | - | 190.26 | 154.99 | - | - |
| Management Support charges paid | - | - | - | - | - | - | - | - | - | - |
| Expenses incurred on Company's behalf | - | - | - | - | - | - | - | - | - | 6.25 |
| Expenses incurred by Company | - | - | - | - | - | - | - | - | 6.88 | 0.13 |
| Royalty Expense | - | - | 255.40 | 222.84 | - | - | - | - | - | - |
| Balance outstanding as at the end of the year (payable) | - | - | (270.77) | (93.66) | (40.06) | (22.26) | (38.71) | (78.91) | 7.24 | (27.81) |
| Balance outstanding as at the end of the year receivables | - | - | - | - | 141.61 | 88.86 | - | - | (11.90) | 1.72 |

Notes to the Standalone Financial Statements for the year ended 31 March 2019

Rs. in lacs

| Particulars | Fellow subsidiaries | | | | | | | | | | | | Grand Total | | | |
|---|---|-------------------------------|---|-------------------------------|---|-------------------------------|---|-------------------------------|-------------------------------------|-------------------------------|---|-------------------------------|-------------------------------|-------------------------------|------------|----------|
| | Federal Mogul Anand Bearings India Ltd. (India) | | Federal Mogul Ignition Products India Ltd. (India)* | | Federal Mogul Motorparts India Ltd. (India) | | Federal Mogul Powertrain Solutions India Private Ltd. (India)** | | Motocare India Private Ltd. (India) | | Federal Mogul Anand Sealing India Limited | | Grand Total | | | |
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | | |
| Sales | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,977.11 | 11,454.61 | |
| Purchase of raw material, intermediaries and finished goods | - | (6.16) | - | 59.78 | - | 2.41 | - | - | - | - | - | - | - | - | 1,594.94 | 1,713.12 |
| Rent income | - | - | - | - | - | - | 10.68 | 11.07 | - | - | - | - | - | 10.68 | 11.07 | |
| Expenses incurred on Company's behalf | 74.85 | 13.41 | 3.92 | 5.84 | - | 31.19 | 26.97 | 235.77 | - | 427.68 | 371.21 | 0.66 | 53.41 | 549.01 | 757.26 | |
| Expenses incurred by Company | 598.59 | 326.96 | 505.16 | 40.82 | - | 15.95 | 308.90 | 1,287.44 | - | 752.96 | 825.78 | 751.44 | 625.67 | 2,923.18 | 3,119.61 | |
| Inter-corporate deposit (ICD) Taken | - | - | 400.00 | 700.00 | - | - | 8,000.00 | 1,600.00 | - | - | - | - | - | 8,400.00 | 2,300.00 | |
| Inter-corporate deposit (ICD) repaid | - | - | 450.00 | 475.00 | - | - | 7,930.00 | 1,000.00 | - | - | - | - | - | 8,380.00 | 1,475.00 | |
| Interest on ICD | - | - | 15.72 | 17.16 | - | - | 139.32 | 129.25 | - | - | - | - | - | 155.04 | 146.41 | |
| Balance outstanding as at the end of the year (payable) | (53.18) | (1.30) | (301.95) | (357.17) | - | (0.00) | (2,208.52) | (1,942.54) | - | - | - | (1.39) | - | (3,800.22) | (3,806.86) | |
| Balance outstanding as at the end of the year receivables | 31.94 | 15.15 | 9.96 | - | - | - | 200.36 | 7.73 | 1,127.61 | 818.55 | - | - | 71.68 | 4,473.54 | 3,255.77 | |
| Purchase / (Sale) of Fixed Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,662.18 | 487.08 | |
| Trade Mark & license fees | - | - | - | - | - | - | - | - | - | - | - | - | - | 190.26 | 154.99 | |
| Management Support charges paid | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,211.68 | 3,016.57 | |
| Royalty Expense | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,276.59 | 1,910.16 | |
| Service Income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

* Federal Mogul Ignition Products India Limited (India), payables includes Rs 300 lacs (31.03.2018 Rs 350 lacs) payable against Inter corporate deposits taken and Rs. 1.94 lacs (31.03.2018 Rs 3.12 lacs) payable against the interest on the same.

** Federal Mogul Powertrain Solutions India Private Ltd, payables includes Rs 2,000.00 lacs (31.03.2018 Rs 1,930.00 lacs) payable against Inter corporate deposits taken and Rs 10.90 lacs (31.03.2017 Rs 12.54. lacs) payable against the interest on the same.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

Rs. in lacs

| Particulars | Subsidiary Federal-Mogul TPR India Limited | |
|---|---|----------------------------------|
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Sales | 1,181.73 | 1,279.78 |
| Purchase of raw material | 5,703.32 | 5,618.50 |
| Dividend received | 311.10 | 249.90 |
| Management support charges | 645.82 | 662.88 |
| Job work income | 1,514.89 | 1,586.58 |
| Rent income | 99.08 | 83.37 |
| Sole selling commission | 479.27 | 475.14 |
| Inter-corporate deposit (ICD) Taken | - | 1,700.00 |
| Inter-corporate deposit (ICD) re paid | - | 600.00 |
| Interest on ICD | 370.60 | 356.03 |
| Loan Outstanding | 4,360.00 | 4,360.00 |
| Interest (payable) / receivable | (28.33) | (28.33) |
| Balance outstanding as at the end of the year (payable) | (1,532.74) | (1,371.78) |

Notes to the Standalone Financial Statements for the year ended 31 March 2019

Key Managerial Personnel* Rs in lacs

| Particulars | Mr Vinod Kumar Hans | | Mr Manish Chadha | | Mr Khalid Iqbal Khan | | Mr Rajesh Sinha | |
|--------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Remuneration | 164.46 | 157.91 | 91.95 | 77.28 | 83.86 | 76.20 | 104.12 | 97.11 |
| Total | | | | | | | | |
| | | | 444.39 | | | | 408.51 | |

Non-executive directors*

| Particulars | Mr Krishnamurthy Naga Subramaniam | | Mr Mukul Gupta | | Sundarshan Kanakku Chembakaraman Pillai | | Mahendra Kumar Goyal | |
|------------------------|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|---|-------------------------------|-------------------------------|-------------------------------|
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Director's sitting fee | 13.60 | 9.80 | 13.60 | 7.80 | 1.00 | 2.80 | 0.60 | 0.40 |
| Total | | | | | | | | |
| | | | | | | | 28.80 | |
| | | | | | | | 20.80 | |

*Key Managerial Personnel who are under the employment of the Company are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs
11. Operating lease
a) Assets taken under operating lease

Office premises taken by the company are on operating leases. The company enter into certain cancellable and non cancellable operating leases arrangement towards office premises.

The details disclosure required by Ind AS-17, Leases is given below:

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| 1. Lease payments for the year | 306.86 | 203.87 |
| 2. Minimum lease payments | | |
| a. Not later than one year | 202.86 | 184.42 |
| b. Later than one year and not later than five years | 117.49 | 289.32 |
| c. Later than five years | - | - |
| 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 | 99.08 | 99.00 |
| b. Later than one year and not later than five years | 272.47 | 173.25 |
| c. Later than five years | - | - |

c) The lease payment recognise in the Statement of Profit and Loss for the year is Rs 306.86 lacs (Previous year Rs 203.87 lacs).

12. Employee benefit obligations
Gratuity

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.

Disclosure of gratuity
(i) Amount recognised in the statement of profit and loss is as under:

| Description | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Current service cost | 444.48 | 449.75 |
| Past service cost | - | 61.26 |
| Interest cost | 651.75 | 611.98 |
| Expected Return on plan assets | (419.11) | (326.50) |
| Amount recognised in the statement of profit and loss | 677.12 | 796.49 |

(ii) Remeasurement (gains) / loss recognised in other comprehensive income

| | | |
|---|-----------------|-----------------|
| Actuarial (gain) on obligations arising from changes in experience adjustments | (230.59) | (51.60) |
| Actuarial (gain) on obligations arising from changes in financial assumptions | (225.33) | (331.94) |
| Remeasurements of the post employment defined benefit plans (gain) | (455.92) | (383.54) |
| Return on plan assets (greater)/ less than discount rate | (11.52) | 17.68 |
| Remeasurements of the post employment defined benefit plans (gain) recognised in OCI | (467.44) | (365.86) |

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs
(iii) Movement in the liability recognised in the balance sheet is as under:

| Description | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Present value of defined benefit obligation as at the beginning of the year | 9,567.91 | 9,789.58 |
| Current service cost | 444.48 | 449.75 |
| Past service cost | - | 61.26 |
| Interest cost | 651.75 | 611.98 |
| Remeasurements of the post employment defined benefit plans (gain) | (455.92) | (383.54) |
| Benefits paid directly by the company | - | (1.40) |
| Benefits paid from the fund | (1,042.29) | (959.72) |
| Present value of defined benefit obligation as at the end of the year | 9,165.93 | 9,567.91 |

(iv) Movement in the plan assets recognised in the balance sheet is as under:

| | | |
|---|-----------------|-----------------|
| Fair Value of plan assets at beginning of year | 5,702.18 | 4,873.07 |
| Expected Return on plan assets | 419.11 | 326.50 |
| Contributions by employer | 1,535.58 | 1,480.00 |
| Benefits paid | (1,042.29) | (959.71) |
| Remeasurements of the post employment defined benefit plans loss/(gain) | - | - |
| Actuarial gains / (losses) | 11.52 | (17.68) |
| Fair Value of plan Assets at the end of the year | 6,626.10 | 5,702.18 |

| Description | As at 31 March 2019 | As at 31 March 2018 |
|-------------------------------------|------------------------|------------------------|
| Defined benefit obligation | 9,165.93 | 9,567.91 |
| Fair valuation of plan assets | 6,626.10 | 5,702.18 |
| (v) Plan (assets)/ liability | 2,539.83 | 3,865.73 |

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

| Description | Year ended 31 March 2019 | Year ended 31 March 2018 |
|------------------------------------|-----------------------------|-----------------------------|
| Insurance company products | 96.20% | 94.71% |
| Equity shares | 3.00% | - |
| Bonds (including accrued interest) | 0.41% | 0.47% |
| Cash | 0.40% | 4.82% |

(vi) Actuarial assumptions

| Description | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Discount rate | 7.30% p.a. | 7.35% p.a. |
| Normal retirement age* | 58 years | 58 years |
| Employee turnover | 5.00% p.a. | 5.00% p.a. |
| Expected rate of return on Plan Assets | 7.30% p.a. | 7.35% p.a. |
| Salary increase rate | 7.00% p.a. | 7.5% 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs
(vii) A quantitative sensitivity analysis for significant assumptions as on 31st March 2019:

| Description | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Impact of the change in discount rate | | |
| Present value of obligation at the end of the year | 9,165.93 | 9,567.91 |
| - Impact due to increase of 0.50 % | 8,934.06 | 9,322.28 |
| - Impact due to decrease of 0.50 % | 9,409.41 | 9,825.82 |
| Impact of the change in salary increase | | |
| Present value of obligation at the end of the year | 9,165.93 | 9,567.91 |
| - Impact due to increase of 0.50 % | 9,383.50 | 9,799.75 |
| - Impact due to decrease of 0.50 % | 8,954.18 | 9,343.74 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payouts are expected in future years:

| Description | As at 31 March 2019 |
|--------------------------|------------------------|
| Year ended 31 March 2020 | 1,316.88 |
| Year ended 31 March 2021 | 1,160.37 |
| Year ended 31 March 2022 | 1,114.18 |
| Year ended 31 March 2023 | 1,398.11 |
| Year ended 31 March 2024 | 1,261.18 |
| 01 April 2024 and above | 6,588.53 |

13. Disclosure under section 186(4) of the Companies act, 2013

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| Investments | | |
| Federal-Mogul TPR (India) Limited | | |
| Investments at the beginning of the year | 510.00 | 510.00 |
| Investments at the end of the year | 510.00 | 510.00 |

14. Revenue related disclosures
a Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers (Ind AS 115), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

b Disaggregation of revenue

Revenue recognised mainly comprises of sale of products which majorly comprises of piston, piston rings and other auto components. Set out below is the disaggregation of the Company's revenue from contracts with customers:

Notes to the Standalone Financial Statements for the year ended 31 March 2019

| Particulars | Rs. in lacs |
|---|-----------------------------|
| | Year Ended 31 March 2019 |
| Revenue from contracts with customers | |
| Sale of products | |
| Domestic | 116,934.31 |
| Export | 10,938.64 |
| Other operating income | 4,024.95 |
| Total revenue covered under Ind AS 115 | 131,897.90 |

c Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

| Particulars | As at 31 March 2019 |
|---|------------------------|
| Contract assets | |
| Unbilled revenue | 154.70 |
| Total contract assets | 154.70 |
| Contract liabilities | |
| Advances from consumers | 119.51 |
| Security deposits received from customers | 452.98 |
| Total contract liabilities | 572.49 |

Receivables

| | |
|--|------------------|
| Trade receivables | 23,169.59 |
| Less : Allowances for expected credit loss | (285.60) |
| Net receivables | 22,883.99 |

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

d Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

| Particulars | As at 31 March 2019 | | |
|--|---------------------|-------------------------|---|
| | Contract Assets | Contract Liabilities | |
| | Unbilled revenue | Advances from consumers | Security deposits received from customers |
| Opening balance | - | 267.30 | 471.19 |
| Addition during the year | 154.70 | 5,597.29 | 72.69 |
| Revenue recognised during the year/ amount refunded during the year | - | (5,745.08) | (90.90) |
| Closing balance | 154.70 | 119.51 | 452.98 |

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs
e Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily its products under arrangements in which the transfer of control of the products and the fulfilment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognized when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods. Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

f Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 30-60 days (excluding transit days).

g Variable considerations associated with such sales

Periodically, the Company announces various volume and other rebate programs, where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Company only recognizes revenue for the amounts it ultimately expects to realize from the customer. The Company estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates each reporting period.

15. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|--------------------------------|--------------------------------|
| a The principal amount remaining unpaid as at the end of year | 2,050.15 | 512.44 |
| b Interest due on above principal and remaining unpaid as at the end of the year | 1.22 | 1.53 |
| c 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. | - | - |
| d 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. | 17.80 | 30.02 |
| e The amount of interest accrued and remaining unpaid at the end of each accounting year; and | 19.02 | 31.54 |
| f 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. | 19.02 | 31.54 |

Notes to the Standalone Financial Statements for the year ended 31 March 2019

Rs. in lacs

16. Provision for regulatory matters

The Company is continuously evaluating processes for regulatory matters at its factories based on more accurate evidences available, a provision, towards costs to be incurred to remediate these matters, of Rs.334.78 lacs is included under Note no.14 for provisions which are net of amounts utilized of Rs.169.63 lacs during the year towards remediation.

In addition to the above, the provision for regulatory matters includes a provision of Rs.1,846.72 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 Indian Accounting Standard (Ind AS) 37 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.

17. Management support charges

During the financial year 2018-19, the company has paid the Management Support charges under Cost Allocation Agreement with Federal Mogul Holding Deutschland GmbH to Rs. 3,211.68 lacs (Previous year 2017-18 Rs.3016.57 lacs).These charges are availment of centralised services pertaining to all the products of the company and, inter-alia, include Technical Support, Operations Management, Applications Engineering, Global Executive Management Services, Purchasing, Key Accounts Sales Management. This charge is based on actual services received by the company on cost basis without any mark up and is at an arm's length basis.

18. 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.

19. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

| Particulars | Non-current borrowings including current maturities of long term borrowings | Short term borrowings* | Interest |
|---|---|------------------------|---------------|
| Opening Balance 1 April 2017 | 3,722.22 | 7,694.74 | 183.88 |
| Non cash changes due to | | | |
| - Interest expense | | | 1,020.06 |
| Cash flows during the year due to | | | |
| - Repayment of term loan during the year | (3,722.22) | - | - |
| - Movement in short term borrowings during the year | - | (1,033.13) | - |
| - Payment of interest | - | - | (1,113.70) |
| Closing Balance as on 31 March 2018 | - | 6,661.61 | 90.24 |
| Non cash changes due to | | | |
| - Interest expense | - | - | 874.30 |
| Cash flows during the year due to | | | |
| - Movement in short term borrowings during the year | - | (1.62) | - |
| - Payment of interest | - | - | (829.02) |
| Closing Balance as on 31 March 2019 | - | 6,660.00 | 135.52 |

* Excluding cash credit facilities from bank which has been considered as part of cash and cash equivalents as per requirement of Ind AS - 7(Statement of Cash Flows)

Notes to the Standalone Financial Statements for the year ended 31 March 2019
Rs. in lacs
20. 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. 212.34 lacs (previous year Rs. 155.11 lacs)

b) Amount spent during the year on-

| Particulars | Year ended 31 March 2019 | | | Year ended 31 March 2018 | | |
|-------------------------------|-----------------------------|---------------------------|---------------|-----------------------------|---------------------------|---------------|
| | In Cash | Yet to be paid in Cash | Total | In Cash | Yet to be paid in Cash | Total |
| a. Education related expenses | 134.49 | - | 134.49 | 50.72 | - | 50.72 |
| b. Health related expenses | 3.57 | - | 3.57 | 54.46 | - | 54.46 |
| c. Social activities | 68.30 | - | 68.30 | 41.68 | - | 41.68 |
| d. Others | 6.36 | - | 6.36 | 8.25 | - | 8.25 |
| | 212.71 | - | 212.71 | 155.11 | - | 155.11 |

21. The Honourable Supreme Court of India in its decision dated 28 February 2019 has held that an 'allowance' paid by an employer to its employee will be included in the scope of 'basic wages' and hence, should be included in the calculations for determining provident fund contributions. The said decision has not prescribed any clarification regarding its date of application. The Company is in the process of evaluating the impact of the said judgement on the provident fund contributions. Pending further clarifications and evaluations of impact of said decision and based on legal advice, no additional provision for provident fund contributions have been recognised in the financial statements for the year ended 31 March 2019.

For Walker Chandio & Co. LLP
Chartered Accountants

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

Anamitra Das
 Partner

Vinod Kumar Hans
 Whole Time Managing Director
 DIN : 03328309

Manish Chadha
 Chief Finance Officer & Finance Director
 DIN : 07195652

Place: Gurugram
 Date: 28th May 2019

Khalid Iqbal Khan
 Whole Time Director - Legal & Company Secretary
 DIN : 05253556

Independent Auditors' Report

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

Report on the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Federal-Mogul Goetze (India) Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid

consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the

Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter

Provisions and contingent liabilities relating to litigations

As disclosed in Note 37 to the consolidated financial statements, the group is involved in various direct taxes, indirect taxes, labour laws and other litigations ('litigations') that are pending with various tax authorities and courts. The group has recognised provisions aggregating to Rs. 2,181.51 lacs and disclosed contingent liabilities of Rs. 9,188.59.59 Lacs related to the same.

Whether a liability is recognised as a provision or disclosed as a contingent liability in the financial statements is inherently judgmental dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgements in respect to these demands against the Group.

How our audit addressed the key audit matter

Our audit procedures in relation to the provisions and contingent liabilities relating to litigations, included, but were not limited to, the following:

- Obtained an understanding of the management process for:
 - identification of legal and tax matters initiated against the Group,
 - assessment of accounting treatment for each such litigation identified under accounting principles of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, and
 - for measurement of amounts involved.
- Evaluated the design and tested the operating effectiveness of key controls around above process.

Test of details included, but were not limited to, the following-

- Obtained an understanding of the nature of litigations pending against the Group and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Group.
- Assessed the Group's assumptions and estimates in respect of litigations, including the liabilities or provisions recognised or contingent liabilities disclosed in the financial statements. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts;
- Assessed management's conclusions through discussions held with the in house legal counsel and understanding precedents set in similar cases;

The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around the various claims the determination of the need for creating a provision in the financial statements is inherently subjective and therefore is considered to be a key audit matter in the current year

- Obtained and evaluating the responses in the independent confirmations obtained from the consultants representing the Group before the various authorities.
- For cases represented by consultants, reviewed each attorney's response obtained as above to ensure that the conclusions reached by the management are supported by sufficient legal rationale and adequate information is included for the management to determine the appropriate accounting treatment of such cases in the financial statements.
- Involved auditor's experts to assess the Group's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates in relation to uncertain tax positions, taking into account past precedents.
- Evaluated the disclosures made relating to provisions and contingent liabilities for their appropriateness.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial

Statements

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that

give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If

we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would

reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit and on the consideration of the report on separate financial statements of the subsidiary, we report that the Holding Company and its subsidiary company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and

the reports of the subsidiary company covered under the Act, none of the directors of the Group company covered under the Act, are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary company, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us based on the consideration of

the report on separate financial statements as also the other financial information of the subsidiary:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 37 to the consolidated financial statements.;
- ii. the Holding Company, and its subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company, covered under the Act, during the year ended 31 March 2019;

- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm's Registration No.:
001076N/N500013

Anamitra Das
Partner
Membership No.: 062191

Place: Gurugram
Date: 28th May 2019

Annexure- A to the Independent Auditor's Report of even date to the members of Federal-Mogul Goetze (India) Limited, on the consolidated financial statements for the year ended 31 March 2019

Annexure A

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of **Federal-Mogul Goetze** ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control on financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary companies aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of

India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on Internal Financial Controls Over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note issued by the ICAI.

For Walker Chandik & Co LLP Chartered Accountants

Firm's Registration No.:
001076N/N500013

Anamitra Das
Partner

Membership No.: 062191

Place: Gurugram

Date: 28th May 2019

Federal-Mogul Goetze (India) Limited Abridged Consolidated Balance Sheet as at 31 March 2019

(Statement containing the salient features of Balance sheet as per first proviso to sub-section 1 of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

Rs. in lacs

| | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| ASSETS | | |
| (1) Non-current assets | | |
| Property, plant and equipment | 57,807.49 | 55,335.06 |
| Capital work-in-progress | 2,828.68 | 3,488.87 |
| Intangible assets | 37.68 | 61.16 |
| Financial assets | | |
| - Investments | 6.94 | 3.25 |
| - Loans | 1,210.53 | 1,411.40 |
| - Other financial assets | 595.32 | 567.24 |
| Current tax assets (net) | 474.91 | 379.34 |
| Other non-current assets | 1,393.27 | 1,706.68 |
| | 64,354.82 | 62,953.00 |
| (2) Current assets | | |
| Inventories | 21,762.48 | 19,078.29 |
| Financial assets | | |
| - Trade receivables | 23,777.57 | 21,914.97 |
| - Cash and cash equivalents | 1,122.15 | 862.37 |
| - Other bank balances | 2,385.06 | 639.69 |
| - Loans | 108.38 | 70.77 |
| - Other financial assets | 1,265.13 | 1,171.54 |
| Other current assets | 2,233.48 | 2,214.46 |
| | 52,654.25 | 45,952.09 |
| Total of (1) to (2) | 117,009.07 | 108,905.09 |
| EQUITY AND LIABILITIES | | |
| (3) Equity | | |
| a) Equity share capital | 5,563.21 | 5,563.21 |
| b) Other equity | | |
| i. General reserve | 1,295.00 | 1,295.00 |
| ii. Capital reserve | 56.55 | 56.55 |
| iii. Capital redemption reserve | 2,000.00 | 2,000.00 |
| iv. Securities premium account | 26,750.74 | 26,750.74 |
| v. Retained earnings | 43,772.17 | 34,721.82 |
| Equity attributable to owners of the company | 79,437.67 | 70,387.32 |
| Non controlling interest | 6,352.88 | 5,899.96 |
| Total equity | 85,790.55 | 76,287.28 |
| Liabilities | | |
| (4) Non-current liabilities | | |
| Provisions | 3,860.92 | 5,103.51 |
| Deferred tax liabilities (net) | 2,216.40 | 1,683.38 |
| | 6,077.32 | 6,786.89 |
| (5) Current liabilities | | |
| Financial liabilities | | |
| - Borrowings | 2,301.45 | 2,452.67 |
| - Trade payables | | |
| - total outstanding dues of micro enterprises and small enterprises | 2,133.19 | 536.00 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 15,744.54 | 16,549.05 |
| - Other financial liabilities | 909.75 | 902.46 |
| Other current liabilities | 1,954.92 | 2,433.46 |
| Provisions | 2,097.35 | 2,426.80 |
| Current tax liabilities (net) | - | 530.48 |
| | 25,141.20 | 25,830.92 |
| Total of (3) to (5) | 117,009.07 | 108,905.09 |

The above consolidated balance sheet should be read in conjunction with the accompanying notes
This is the Consolidated balance Sheet referred to in our report of even date

For Walker Chandio & Co. LLP
Chartered Accountants

Anamitra Das
Partner

Place: Gurugram
Date: 28th May 2019

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

Vinod Kumar Hans
Whole Time Managing Director
DIN : 03328309

Khalid Iqbal Khan
Whole Time Director - Legal & Company Secretary
DIN : 05253556

Manish Chadha
Chief Finance Officer & Finance Director
DIN : 07195652

Federal-Mogul Goetze (India) Limited Abridged Consolidated Statement of Profit and Loss for the year ended 31 March 2019

(Statement containing the salient features of Balance sheet as per first proviso to sub-section 1 of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

| | 31 March 2019 Year ended | 31 March 2018 Year ended |
|--|-----------------------------|-----------------------------|
| Rs. in lacs | | |
| INCOME | | |
| Sale of goods | 131,660.24 | 133,968.10 |
| Other operating revenue | | |
| Export incentives | 599.76 | 488.99 |
| Scrap sales | 1,922.99 | 1,523.09 |
| I. Revenue from operations | 134,182.99 | 135,980.18 |
| II. Other income | 1,424.55 | 1,155.91 |
| III. Total Income (I +II) | 135,607.54 | 137,136.09 |
| IV. Expenses | | |
| (a) Cost of materials consumed | 42,074.24 | 36,761.19 |
| (b) Excise duty | - | 3,446.09 |
| (c) Purchases of stock-in-trade | 1,451.74 | 1,377.18 |
| (d) Changes in inventories of finished goods, work-in-progress and stock-in-trade ((Increase)/ Decrease) | (2,886.87) | 954.09 |
| (e) Employee benefit expense | 30,601.75 | 29,287.94 |
| (f) Finance cost | 512.70 | 666.67 |
| (g) Depreciation and amortisation expense | 8,576.87 | 7,701.62 |
| (h) Other expenses | 40,382.07 | 41,475.59 |
| Total expenses (a to h) | 120,712.50 | 121,670.37 |
| V. Profit before tax | 14,895.04 | 15,465.72 |
| VI. Tax expense | | |
| 1. Current tax | 4,979.52 | 5,280.87 |
| 2. Deferred tax expense | 365.71 | 565.64 |
| Total tax expense | 5,345.23 | 5,846.51 |
| VII. Profit for the year (V- VI) | 9,549.81 | 9,619.21 |
| VIII. Other Comprehensive Income | | |
| A (i) Items that will not be reclassified to profit or loss | | |
| a) Remeasurements of the post employment defined benefit plans (gain) | (481.12) | (372.57) |
| b) Income tax relating to items that will not be reclassified to profit or loss | 167.31 | 128.58 |
| Total Other Comprehensive (Income) / expense | (313.81) | (243.99) |
| IX. Total Comprehensive Income | 9,863.62 | 9,863.20 |
| Profit and loss for the year | 9,549.81 | 9,619.21 |
| Attributable to | | |
| a) Owner of the company | 8,741.30 | 8,831.85 |
| b) Non controlling interest | 808.51 | 787.36 |
| Other comprehensive income for the year | (313.81) | (243.99) |
| Attributable to | | |
| a) Owner of the company | (309.06) | (241.66) |
| b) Non controlling interest | (4.75) | (2.33) |
| Total comprehensive income for the year | 9,863.62 | 9,863.20 |
| Attributable to | | |
| a) Owner of the company | 9,050.36 | 9,073.52 |
| b) Non controlling interest | 813.26 | 789.68 |
| Earnings per equity share (of Rs 10 each) | | |
| Basic (Rs) | 17.17 | 17.29 |
| Diluted (Rs) | 17.17 | 17.29 |

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes. This is the consolidated Statement of Profit and Loss referred to in our report of even date.

For Walker Chandio & Co. LLP
Chartered Accountants

Anamitra Das
Partner

Place: Gurugram
Date: 28th May 2019

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

Vinod Kumar Hans **Manish Chadha**
Whole Time Managing Director Chief Finance Officer & Finance Director
DIN : 03328309 DIN : 07195652

Khalid Iqbal Khan
Whole Time Director - Legal & Company Secretary
DIN : 05253556

Federal-Mogul Goetze (India) Limited
Abridged Consolidated cash flow statement for the year ended 31 March 2019

| | 31 March 2019 | Rs. in lacs |
|---|----------------------|----------------------|
| | year ended | 31 March 2018 |
| | | Year ended |
| 1. Cash flow from operating activities | 13,324.51 | 12,764.31 |
| 2. Cash used in investing activities | (12,085.74) | (7,211.82) |
| 3. Cash used in financing activities | (829.39) | (5,883.84) |
| 4. Net increase in cash and cash equivalents (1 + 2 + 3) | 409.38 | (331.35) |
| 5. Cash and cash equivalents at the beginning of the year | 711.32 | 1,042.67 |
| 6. Cash and cash equivalents at the end of the year | 1,120.70 | 711.32 |

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

Notes:

- The above Abridged Cash Flow Statement has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS) 7 on "Cash Flow Statement" notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Company (Accounts) Rules 2014.
- Figures in brackets indicate cash outflow.
- Cash and cash equivalents includes cash and cheques on hand and bank balances.
- The notes referred to in the Abridged Balance Sheet and Abridged Statement of Profit and Loss forms an integral part of the Abridged Cash Flow Statement.
- Previous period figures have been regrouped and recasted, wherever necessary, to conform to the current year's classification.

Note :- Complete Consolidated Balance sheet, Consolidated Statement of Profit and Loss, other Consolidated statements and Consolidated notes thereto prepared as per the requirements of Schedule III of the Companies Act, 2013 are available at the Company's website www.federalmogulgoetzeindia.net.

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

For Walker Chandio & Co. LLP
Chartered Accountants

Anamitra Das
 Partner

Place: Gurugram
 Date: 28th May 2019

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

Vinod Kumar Hans
 Whole Time Managing Director
 DIN : 03328309

Khalid Iqbal Khan
 Whole Time Director - Legal & Company Secretary
 DIN : 05253556

Manish Chadha
 Chief Finance Officer & Finance Director
 DIN : 07195652

Federal-Mogul Goetze (India) Limited
Consolidated statement of change in equity as at 31 March 2019

Rs. in lacs

| Particulars | Balance as at 01 April 2017 | Change in equity share capital during the year | Balance as at 31 March 2018 | Change in equity share capital during the year | Balance as at 31 March 2019 |
|--------------------------------|-----------------------------|--|-----------------------------|--|-----------------------------|
| A) Equity share capital | 5,563.21 | - | 5,563.21 | - | 5,563.21 |

| Particulars | Reserves and surplus | | | | | | | |
|---|----------------------|-----------------|----------------------------|----------------------------|-------------------|--------------------|--------------------------|------------------|
| | General reserve | Capital reserve | Capital redemption reserve | Securities premium account | Retained earnings | Total other equity | Non controlling interest | Total |
| Balance as at 01 April 2017 | 1,295.00 | 56.55 | 2,000.00 | 26,750.74 | 25,648.30 | 55,750.59 | 5,399.25 | 61,149.84 |
| Additions during the year: | | | | | | | | |
| Profit for the year | - | - | - | - | 8,831.85 | 8,831.85 | 787.36 | 9,619.21 |
| Other Comprehensive Income for the year ended | | | | | | | | |
| Remeasurements of the post employment defined benefit plans gain (net of tax) | - | - | - | - | 241.66 | 241.66 | 2.33 | 243.99 |
| Less: Dividend paid including dividend distribution tax (DDT) | - | - | - | - | - | - | (288.98) | (288.98) |
| Balance as at 31 March 2018 | 1,295.00 | 56.55 | 2,000.00 | 26,750.74 | 34,721.81 | 64,824.10 | 5,899.96 | 70,724.06 |
| Additions during the year: | | | | | | | | |
| Profit for the year | - | - | - | - | 8,741.30 | 8,741.30 | 808.51 | 9,549.81 |
| Other Comprehensive Income for the year ended | | | | | | | | |
| Remeasurements of the post employment defined benefit plans gain (net of tax) | - | - | - | - | 309.06 | 309.06 | 4.75 | 313.81 |
| Less: Dividend paid including dividend distribution tax (DDT) | - | - | - | - | - | - | (360.34) | (360.34) |
| Balance as at 31 March 2019 | 1,295.00 | 56.55 | 2,000.00 | 26,750.74 | 43,772.17 | 73,874.46 | 6,352.88 | 80,227.34 |

This is the Statement of changes in equity referred to in our report of even date.

For Walker Chandiook & Co LLP
Chartered Accountants

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

Anamitra Das
 Partner

Vinod Kumar Hans
 Whole Time Managing Director
 DIN : 03328309

Manish Chadha
 Chief Finance Officer & Finance Director
 DIN : 07195652

Place: Gurugram
 Date: 28th May 2019

Khalid Iqbal Khan
 Whole Time Director- Legal & Company Secretary
 DIN : 05253556

Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2019

Corporate information

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

The principal facilities of the Group are located at Patiala (Punjab), Bengaluru (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 Tenneco Inc., USA (from 01 October 2018, erstwhile parent Federal Mogul LLC, USA).

1. Statement of significant accounting policies

1.1 Statement of compliance with Ind AS

These financial statements ('Consolidated financial statements') of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2019 were authorised and approved for issue by the Board of Directors on 28 May 2019.

1.2 Recent accounting pronouncement

a) Ind AS 116 "Leases:

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1 April 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application; or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods

The Group is currently evaluating the effect of this amendment on the standalone financial statements.

b) Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Group is currently evaluating the effect of this amendment on the standalone financial statements.

Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2019**c) Amendment to Ind AS 19 – plan amendment, curtailment or settlement-**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Group does not have any impact on account of this amendment.

1.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and

The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March, 2019.

1.4 Summary of Significant Accounting Policies**a) Overall consideration**

The financial statements have been prepared using the significant accounting policies and measurement bases summarized below. These were used throughout all periods presented in the financial statements.

Basis of preparation

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2019

b) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

c) 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 year. 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.

d) Property, plant and equipment

Recognition and initial measurement

Property plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

| Asset Class | Estimated useful life (in years) |
|------------------------|---|
| Plant & Machinery | 5 to 21 years |
| Furniture and fixtures | 3 to 10 years |
| Vehicles | 8 to 10 years |
| Computers | 3 years |
| Building | 20 to 30 years |
| Leasehold land | 99 years |

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

e) Intangible assets

Recognition and initial measurement

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation)

The cost of capitalised software is amortised over a period in the range of 5 years from the date of its acquisition. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2019

f) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets

Subsequent measurement

i. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. Financial assets carried at fair value

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are

Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2019

substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h) Impairment of financial assets

In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted average difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

In respect of trade receivables, the group applies the simplified approach as per Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date

i) Fair Value of financial instrument

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal Market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2019

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

j) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

Where the Group is a lessee, lease rentals are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs. Associated costs, such as maintenance and insurance, are expensed as incurred.

k) Inventories

Inventories are valued as follows:

Inventories are valued at cost or net realisable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- Raw material cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Stores and spares cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- In case of work in progress-at raw material cost plus conversion costs depending upon the stage of completion.
- In case of finished goods-cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

l) Revenue Recognition

Revenue is recognised at fair value of consideration received or receivable net of related rebates, to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

i) Sale of products

Revenue from sale of products is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. It is measured at fair value consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Group recognises revenue when it transfers control over a product to a customer i.e. when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the Balance Sheet under other current liabilities (refer note).

Satisfaction of performance obligations

The Group's revenue is derived from the single performance obligation to transfer primarily products under arrangements in which the transfer of control of the products and the fulfilment of the Group's performance obligation occur at the same time. Revenue from the sale of goods is recognised when the Group has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Group will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Group, generally the criteria to recognise revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers, this is the point in time when the Group has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Group expects to be entitled to.

Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2019

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 30-60 days.

Variable considerations associated with such sales

Periodically, the Group launches various volume or other rebate programs where once a certain volume or other conditions are met, it gives the customer as volume discount some portion of the amounts previously billed or paid. For such arrangements, the Group only recognises revenue for the amounts it ultimately expects to realise from the customer. The Group estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates each reporting period.

ii) Interest:

Interest income is recorded on accrual basis using the effective interest rate (EIR) method

iii) Commission:

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

iv) Export Benefits/Incentives:

Export entitlements under the Duty Entitlement Pass Book (DEPB) Scheme/ Duty Drawback scheme and Merchandise Exports from India Scheme are recognized in the profit and loss account when the right to receive credit as per the terms of the scheme is established in respect of exports made.

m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the 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

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary interruption.

n) Foreign Currency Transactions***Functional and presentation currency***

The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Group.

Transactions and balances

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

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on such conversion and settlement at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

o) 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 Group 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.

Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2019

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to other comprehensive income in the year in which such gains or losses are determined.

(iii) Short term compensated absences are provided for based on estimates. Long term compensation liability for leave encashment is determined in accordance with Group 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.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to statement of profit and loss in the year in which such gains or losses are determined.

(iv) Superannuation Benefit

The Group 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.

(v) National Pension Scheme

The Group makes specified monthly contributions towards national pension scheme to government administered scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

p) Income Taxes

Tax expense recognised in the statement of profit and loss comprises of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

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 tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (including Minimum Alternate Tax ('MAT') credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Tax expense relating to items recognised in OCI or directly in equity is recognised outside profit or loss (in OCI or equity).

q) Earnings per Share

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

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

r) Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2019

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no provision is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

s) Cash and Cash Equivalents

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors assess the financial performance and position of the Group, and makes strategic decisions and therefore the board would be the chief operating decision maker. The Group's primary business segment is manufacturing and trading of auto components. Considering the nature of Group's business and operations, there is only one reportable business segment.

u) Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant management judgements

Recognition of deferred tax assets – Recognition of deferred tax assets is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases – The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2019

Contingent Liabilities - The Group is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Provision for warranties – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from this judgement.

Significant estimation uncertainties

Recoverability of advances/receivables - At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

3. Fair value disclosures
i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Company has only one investment carried at fair value through profit and loss account. The fair value of investment in GI Power Corporation Limited is determined to be zero. There are no other financial assets or liabilities carried at fair value.

(iii) Fair value of instruments measured at amortised cost

Cash and cash equivalents, other bank balances, trade receivables, other current financial assets, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the long term borrowings are determined by using discounted cash flow method using the appropriate discount rate. The discount rate is determined using other similar instruments incorporating the risk associated.
- The fair values of the unquoted investments in Shares of Vyshali Energy Private Limited is shown at cost as in accordance with agreement with parties.
- Loans are shown at cost as the same are given to government authorities till perpetuity. Loans are shown at cost as the same are given to government authorities till perpetuity.

4. Financial risk management
i) Financial instruments by category

| Particulars | As at 31 March 2019 | | | As at 31 March 2018 | | |
|--|---------------------|-------|------------------|---------------------|-------|------------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments# | ** | - | 6.94 | ** | - | 3.25 |
| Trade receivables | - | - | 23,777.57 | - | - | 21,914.97 |
| Cash and cash equivalents | - | - | 1,122.15 | - | - | 862.37 |
| Other bank balances | - | - | 2,385.06 | - | - | 639.69 |
| Loans | - | - | 1,318.91 | - | - | 1,482.17 |
| Other financial assets | - | - | 1,860.45 | - | - | 1,738.78 |
| Total | - | - | 30,471.08 | - | - | 26,641.23 |
| Financial liabilities | | | | | | |
| Borrowings (including interest accrued on borrowings) | - | - | 2,314.30 | - | - | 2,490.79 |
| Trade payable | - | - | 17,877.73 | - | - | 17,085.05 |
| Other financial liabilities (excluding interest accrued on borrowings) | - | - | 896.90 | - | - | 864.34 |
| Total | - | - | 21,088.93 | - | - | 20,440.18 |

** The company has an investment in GI Power Corporation Limited which is carried at fair value which is equivalent to zero.

shown at cost, as per the agreement with party.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

ii) Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The Group's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets. - cash and cash equivalents, - trade receivables, - loans & receivables carried at amortised cost, and- deposits with banks.

a) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the group, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under Credit risk

| Credit rating | Particulars | As at | As at |
|---------------|---------------------------|---------------|---------------|
| | | 31 March 2019 | 31 March 2018 |
| A: Low | Cash and cash equivalents | 1,122.15 | 862.37 |
| | Other financial assets | 1,860.45 | 1,738.78 |
| | Loan | 1,318.91 | 1,482.17 |
| | Trade receivables | 23,901.43 | 22,065.81 |
| C: High | Trade receivables | 178.14 | 69.04 |

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become six months past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

The Group provides for expected credit losses based on the following:

The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by 'analysing historical trend of default based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019
(All amounts in Rs. lacs, unless otherwise stated)

| Particulars | As at 31 March 2019 | | As at 31 March 2018 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | >365 Days | 0 - 365 Days | >365 Days | 0 - 365 Days |
| Gross amount of trade receivables where no default (as defined above) has occurred | 178.14 | 23,901.43 | 69.04 | 20,959.47 |
| Expected loss rate (in %) | 100% | 0.52% | 100% | 0.72% |
| Expected credit loss(loss allowance provision) | 178.14 | 123.86 | 69.04 | 150.83 |

Reconciliation of loss provision – lifetime expected credit losses

| Reconciliation of loss allowance | Trade receivable |
|---|------------------|
| Loss allowance as on 1 April 2017 | 175.32 |
| Impairment loss recognised/reversed during the year | 44.55 |
| Loss allowance as on 1 April 2018 | 219.87 |
| Impairment loss recognised/reversed during the year | 82.13 |
| Loss allowance on 31 March 2019 | 302.00 |

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyses the Group's financial liabilities into relevant maturity companyings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. For balances due within 12 months amounts equal their carrying values as the impact of discounting is not significant.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

| 31 March 2019 | Less than 1 year | 1-3 year | 3-5 year | More than 5 years | Total |
|-----------------------------|------------------|----------|----------|-------------------|------------------|
| Short term borrowings | 2,314.30 | - | - | - | 2,314.30 |
| Trade payable | 17,877.73 | - | - | - | 17,877.73 |
| Other financial liabilities | 896.90 | - | - | - | 896.90 |
| Total | 21,088.93 | - | - | - | 21,088.93 |

| 31 March 2018 | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | Total |
|-----------------------------|------------------|----------|----------|-------------------|------------------|
| Short term borrowings | 2,490.79 | - | - | - | 2,490.79 |
| Trade payable | 17,085.05 | - | - | - | 17,085.05 |
| Other financial liabilities | 864.34 | - | - | - | 864.34 |
| Total | 20,440.18 | - | - | - | 20,440.18 |

C) Market Risk

a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Euro and Japanese Yen. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Group. Considering the low volume of foreign currency transactions, the Group's exposure to foreign currency risk is limited and the Group hence does not use any derivative instruments to manage its exposure. Also, the Group does not use forward contracts and swaps for speculative purposes.

(i) Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs, are as follows

| Particulars | Foreign Currency | As at 31 March 2019 | As at 31 March 2018 | |
|--|------------------|---------------------|---------------------|-----------------|
| Financial liabilities- Creditors | USD | 387.32 | 445.45 | |
| | EUR | 718.92 | 2,037.58 | |
| | GBP | 263.65 | 184.82 | |
| | JPY | 216.00 | 176.54 | |
| | SEK | 5.81 | 2.47 | |
| | CHF | 0.14 | 2.05 | |
| | | | 1,591.84 | 2,848.91 |
| Financial assets | | | | |
| | Debtors | EUR | 355.41 | 351.52 |
| | | USD | 2,694.10 | 3,146.99 |
| | | 3,049.51 | 3,498.51 | |
| Net exposure to foreign currency risk (assets) | | 1,457.68 | 649.60 | |

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019
(All amounts in Rs. lacs, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| USD sensitivity | | |
| INR/USD- increase by 500 bp (31 March 2018 500 bp)* | 115.34 | 135.08 |
| INR/USD- decrease by 500 bp (31 March 2018 500 bp)* | (115.34) | (135.08) |
| EUR sensitivity | | |
| INR/EUR- increase by 500 bp (31 March 2018 500 bp)* | (18.18) | (84.30) |
| INR/EUR- decrease by 500 bp (31 March 2018 500 bp)* | 18.18 | 84.30 |
| GBP sensitivity | | |
| INR/GBP- increase by 500 bp (31 March 2018 500 bp)* | (13.18) | (9.24) |
| INR/GBP- decrease by 500 bp (31 March 2018 500 bp)* | 13.18 | 9.24 |
| JPY sensitivity | | |
| INR/JPY- increase by 500 bp (31 March 2018 500 bp)* | (10.80) | (8.83) |
| INR/JPY- decrease by 500 bp (31 March 2018 500 bp)* | 10.80 | 8.83 |
| SEK sensitivity | | |
| INR/SEK- increase by 500 bp (31 March 2018 500 bp)* | (0.29) | (0.12) |
| INR/SEK- decrease by 500 bp (31 March 2018 500 bp)* | 0.29 | 0.12 |
| CHF sensitivity | | |
| INR/CHF- increase by 500 bp (31 March 2018 500 bp)* | (0.01) | (0.10) |
| INR/CHF- decrease by 500 bp (31 March 2018 500 bp)* | 0.01 | 0.10 |

* Holding all other variables constant

b) Interest rate risk
i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2019, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|-------------------------|------------------------|------------------------|
| Variable rate borrowing | 1.45 | 151.05 |
| Fixed rate borrowing | 2,312.84 | 2,339.74 |
| Total borrowings | 2,314.30 | 2,490.79 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amounts in Rs. lacs, unless otherwise stated)

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| Interest sensitivity* | | |
| Interest rates – increase by 50 bp basis points | (0.01) | (0.76) |
| Interest rates – decrease by 50 bp basis points | 0.01 | 0.76 |
| * Holding all other variables constant | | |

ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

The Group does not have any significant investments in equity instruments which create an exposure to price risk.

5. Capital management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Total debt | 2,314.30 | 2,490.79 |
| Less: Cash and bank balances | 1,122.15 | 862.37 |
| Net debt | 1,192.15 | 1,628.42 |
| Total equity (as shown on the face of balance sheet) | 79,437.67 | 70,387.32 |
| Net debt to equity ratio | 1.48% | 2.26% |

Notes to the Consolidated Financial Statements for the year ended 31 March 2019
(All amounts in Rs. lacs, unless otherwise stated)
6. Capital commitments

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Property, plant and equipment (net of advances paid) | 1,907.46 | 2,375.90 |
| | 1,907.46 | 2,375.90 |

7. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Current assets | | |
| Inventories, cash and cash equivalents and trade receivables | 44,495.98 | 39,447.07 |
| Total current assets pledged as security | 44,495.98 | 39,447.07 |

8. Segment information

As the Group's business activities fall within a single primary business segment viz. auto components for automobile industry, the disclosure requirement of Indian Accounting Standard (Ind AS-108), Operating Segments is not applicable.

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. Revenue from one customer amounts to **Rs. 13,665.98 lacs** (previous year Rs. 13,437.40 lacs). No other single customer represents 10% or more to the Group revenue for financial year ended 31 March 2019 and 31 March 2018.

Geographical information in respect of revenue from customer is given below:

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|-----------------|-----------------------------|-----------------------------|
| India | 120,112.47 | 119,398.22 |
| Other countries | 11,547.77 | 14,569.88 |
| | 131,660.24 | 133,968.10 |

Carrying amount of segment debtors by geographical market (net of provision)

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|-----------------|-----------------------------|-----------------------------|
| India | 20,451.24 | 18,993.03 |
| Other countries | 3,326.33 | 2,921.94 |
| | 23,777.57 | 21,914.97 |

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

9. Contingent liabilities

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| (i) Excise duty | | |
| (a) Cases decided in the Group's favour by Appellate authorities department has filed further appeal and show cause notices/ orders on the same issues for other periods | 73.13 | 73.13 |
| (b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods | 16.43 | 1,000.06 |
| (c) Show cause notices on issues yet to be adjudicated | 282.45 | - |
| Total | 372.01 | 1,073.19 |
| (ii) Service tax | | |
| (a) Cases decided in the Group's favour by Appellate authorities department has filed further appeal and show cause notices/ orders on the same issues for other periods | 48.53 | - |
| (b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods | 1,365.68 | 631.06 |
| (c) Show cause notices on issues yet to be adjudicated | 119.72 | - |
| Total | 1,533.93 | 631.06 |
| (iii) Sales tax | | |
| (a) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods | 4,368.83 | 2,044.67 |
| Total | 4,368.83 | 2,044.67 |
| (iv) Income tax | | |
| (a) Cases decided in the Group's favour by Appellate authorities department has filed further appeal and show cause notices/ orders on the same issues for other periods | 834.92 | 532.27 |
| (b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods | 1,662.55 | 861.09 |
| (c) Show cause notices on issues yet to be adjudicated | 95.15 | 189.76 |
| Total | 2,592.62 | 1,583.12 |
| (v) Others | | |
| (a) Employee related cases | 268.96 | 299.27 |
| (b) Electricity demand | 52.24 | 52.24 |
| Total | 321.20 | 351.51 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2019**10. Related Party Transactions**

(I) In accordance with the requirement of Indian Accounting Standard (Ind AS - 24) 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

- Tenneco Inc., USA (Refer note 12)

(b) Key managerial personnel

- Mr. Vinod Kumar Hans, Whole Time Managing Director
- Mr. Manish Chadha, Chief Finance Officer & Finance Director
- Mr. Rajesh Sinha, Additional Director
- Mr. Khalid Iqbal Khan, Whole Time Director- Legal and Company Secretary
- Mr. Krishnamurthy Naga Subramaniam, Non-executive Director
- Mr. Mukul Gupta, Non-executive Director
- Mr. Sundareshan Kanakku Chembakaraman Pillai, Non-executive Director
- Mr. Mahendra Kumar Goyal, Non-executive Director
- Mr Anand Kumar Sahoo, Company Secretary
- Mr. Kapil Arora, Manager
- Mr. Takehiko Karasawa, Director
- Mr. Toshiaki Imai, Director

(c) Fellow and step 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 Limited. (U.K.)
- Federal Mogul Friction Products Limited (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 Limited.
- Federal Mogul Worldwide Aftermarket
- Federal Mogul Sistemas Brazil
- Federal Mogul Dongsuh Piston Co. Limited. (China)
- Federal Mogul Bradford Limited.
- Federal Mogul Powertrain Spara, MII
- Federal Mogul KK Yokohama
- Federal Mogul Powertrain Inc, Southbend
- Federal Mogul Chasseneuil
- Federal Mogul Kontich
- Federal Mogul Anand Bearings India Limited
- Federal-Mogul Ignition Products India Limited
- Federal-Mogul Powertrain Solutions India Private Limited
- Federal Mogul Anand Sealing India Limited
- Motocare India Private Limited
- Federal Mogul Motoparts India Limited
- TPR Co. Limited, Japan
- Federal Mogul UK Investments Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

Rs. in lacs

(ii) Those transactions along with related balances as at 31 March 2019 and 31 March 2018 are presented in the following table:

| Particulars | Ultimate Holding Company Tennoco Inc. (USA) | |
|---|--|----------------------------------|
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Sales | - | - |
| Purchase of raw material | - | - |
| Expenses incurred on Company's behalf | - | - |
| Expenses incurred by Company | 224.89 | 291.58 |
| Balance outstanding as at the end of the year (payables) | (3.62) | - |
| Balance outstanding as at the end of the year receivables | - | 67.54 |

| Particulars | Fellow Subsidiaries | | | | | | | |
|---|--|----------------------------------|---|----------------------------------|--|----------------------------------|------------------------------------|----------------------------------|
| | Federal-Mogul Bradford Limited (Germany) | | Federal-Mogul Burscheid GMBH, (Germany) | | Federal-Mogul Gorzyee S.A (Poland) | | Federal-Mogul Motorparts LLC | |
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Sales | - | - | - | - | - | - | 5,361.16 | 5,025.31 |
| Purchase of raw material | 361.90 | 980.86 | 503.60 | 301.58 | 8.87 | 59.70 | - | - |
| Purchase of fixed assets | - | - | 1,825.41 | 450.80 | 323.92 | - | - | - |
| Expenses incurred on Company's behalf | - | - | 14.93 | - | - | - | - | - |
| Expenses incurred by Company | - | - | (0.74) | - | - | - | - | - |
| Royalty Expenses | - | - | 958.32 | 792.15 | - | - | - | - |
| Balance outstanding as at the end of the year (payables) | (101.11) | (162.41) | (467.83) | (575.58) | - | - | (18.72) | (17.64) |
| Balance outstanding as at the end of the year receivables | - | - | - | - | - | - | 1,730.58 | 2,057.69 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

Rs. in lacs

| Particulars | Fellow Subsidiaries | | | | | | | |
|---|--|----------------------------------|---|----------------------------------|---|----------------------------------|--|----------------------------------|
| | Federal-Mogul Nurnberg, GMBH (Germany) | | Federal-Mogul Thailand Manufacturina Ayutthaya (Thailand) | | Federal-Mogul Holding Deutschland (Germany) | | Federal-Mogul Naberezhnye Chelny | |
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Sales | 2.15 | 10.35 | 102.21 | 3,762.17 | - | - | 453.60 | 417.24 |
| Purchase of raw material | 91.46 | 70.19 | - | - | - | - | - | - |
| Purchase / (Sale) of Fixed Assets | 337.32 | 36.28 | - | - | - | - | - | - |
| Management Support charges | - | - | - | - | 3,211.68 | 3,016.57 | - | - |
| Expenses incurred on Company's behalf | - | - | - | 40.17 | - | - | - | - |
| Expenses incurred by Company | - | (3.14) | - | - | - | - | - | - |
| Royalty Expense | 1,062.86 | 895.17 | - | - | - | - | - | - |
| Balance outstanding as at the end of the year (payable) | (305.22) | (528.18) | - | - | - | - | - | - |
| Balance outstanding as at the end of the year receivables | 1.29 | 9.34 | 99.44 | 161.48 | 1,122.61 | - | 20.04 | 23.56 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2019
(All amounts in Rs. lacs, unless otherwise stated)
Rs. in lacs

| Particulars | Fellow Subsidiaries | | | | | | | | | | | |
|---|--|-------------------------------|--|-------------------------------|--|-------------------------------|--|-------------------------------|--|-------------------------------|-------------------------------|-------------------------------|
| | Federal Mogul Anand Bearings India Limited (India) | | Federal Mogul Ignition Products India Limited (India)* | | Federal-Mogul Motorparts India Limited (India) | | Federal-Mogul Powertrain Solutions India Private Ltd (India)** | | Motocare India Private Limited (India) | | Anand Sealing India Limited | |
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Sales | - | - | - | - | 0.55 | 153.94 | - | - | 3,869.29 | 3,043.68 | - | - |
| Purchase of raw material, intermediaries and finished goods | - | (6.16) | - | 59.78 | - | 2.41 | - | - | - | 35.87 | - | (57.74) |
| Rent income | - | - | - | - | - | - | 10.68 | 11.07 | - | - | - | - |
| Expenses incurred on Company's behalf | 74.85 | 13.41 | 3.92 | 5.84 | - | 31.19 | 26.97 | 235.77 | 427.68 | 376.54 | 0.66 | 53.41 |
| Expenses incurred by Company | 598.59 | 326.96 | 505.16 | 40.82 | - | 15.95 | 308.90 | 1,287.44 | 752.96 | 825.78 | 751.44 | 625.67 |
| Inter-corporate deposit (ICD) Taken | - | - | 400.00 | 700.00 | - | - | - | 8,000.00 | - | - | - | - |
| Inter-corporate deposit (ICD) repaid | - | - | 450.00 | 475.00 | - | - | 7,930.00 | 1,000.00 | - | - | - | - |
| Interest on ICD | - | - | 15.72 | 17.16 | - | - | 139.32 | 129.25 | - | - | - | - |
| Balance outstanding as at the end of the year (payable) | (53.18) | 1.30 | (301.95) | (357.17) | - | - | (2,208.52) | (1,942.54) | - | (4.22) | (1.39) | - |
| Balance outstanding as at the end of the year receivables | 31.94 | 15.15 | 9.96 | - | 0.55 | - | 200.36 | 7.73 | 1,128.32 | 818.55 | - | 71.68 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

Rs. in lacs

| Particulars | Fellow Subsidiaries | | | | | | | | | | Grand Total | |
|---|-------------------------------|-------------------------------|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Federal Mogul S De RI De Cv | | Federal Mogul Sintered Products Limited, (U.K) | | Federal-Mogul Friedberg GMBH | | Federal-Mogul Ltd-UK | | Other fellow subsidiaries | | Grand Total | |
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Sales | - | - | - | - | 148.82 | 101.86 | - | - | 40.42 | 24.26 | 9,978.20 | 12,538.82 |
| Purchase of raw material | - | - | 375.12 | 135.78 | 238.82 | 101.90 | - | - | 15.17 | 29.34 | 1,594.94 | 1,713.49 |
| Purchase / (Sale) of Fixed Assets | 142.51 | - | 33.02 | - | - | - | - | - | - | - | 2,662.18 | 487.08 |
| Trade Mark & license fees | - | - | - | - | - | - | 190.26 | 154.99 | - | - | 190.25 | 154.98 |
| Management Support charges paid | - | - | - | - | - | - | - | - | - | - | 3,211.68 | 3,016.57 |
| Expenses incurred on Company's behalf | - | - | - | - | - | - | - | - | - | 6.25 | 549.00 | 762.58 |
| Expenses incurred by Company | - | - | - | - | - | - | - | - | 6.88 | 0.13 | 2,923.19 | 3,119.61 |
| Royalty Expense | - | - | 255.40 | 222.84 | - | - | - | - | - | - | 2,276.58 | 1,910.16 |
| Balance outstanding as at the end of the year (payable) | - | - | (270.77) | (93.66) | (40.06) | (22.26) | (38.71) | (78.91) | 7.24 | (27.81) | (3,800.21) | (3,809.07) |
| Balance outstanding as at the end of the year receivables | - | - | - | - | 141.61 | 88.86 | - | - | (11.90) | 1.72 | 4,474.80 | 3,255.77 |
| Rent income | - | - | - | - | - | - | - | - | - | - | 10.68 | 11.07 |
| Inter-corporate deposit (ICD) Taken | - | - | - | - | - | - | - | - | - | - | 8,400.00 | 2,300.00 |
| Inter-corporate deposit (ICD) repaid | - | - | - | - | - | - | - | - | - | - | 8,380.00 | 1,475.00 |
| Interest on ICD | - | - | - | - | - | - | - | - | - | - | 155.04 | 146.41 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

Rs. in lacs

| Particulars | Common Control with holding Co. | | |
|---|-------------------------------------|-----------------------------|-----------------------------|
| | Federal Mogul UK Investment Limited | | TPR Co. Limited Japan |
| | 31 March 2019 Year ended | 31 March 2018 Year ended | 31 March 2019 Year ended |
| Sales (including excise duty) | - | - | - |
| Purchase of raw material, intermediaries and finished goods (incl. excise duty) | - | - | 58.35 |
| Purchase of fixed assets | - | - | 28.62 |
| Dividend Paid | 54.90 | 44.10 | 196.00 |
| Management fee paid | - | - | - |
| Job work Expenses | - | - | - |
| Sole selling commission paid | - | - | - |
| Expenses incurred on Company's behalf | - | - | 35.16 |
| Rent expense | - | - | - |
| Royalty Expense | - | - | 135.76 |
| Inter-Corporate Deposit (ICD) given | - | - | - |
| Inter-Corporate Deposit (ICD) received back | - | - | - |
| Interest on ICD | - | - | - |
| Inter Corporate Deposits with holding company | - | - | - |
| Interest accrued on deposits with holding company | - | - | - |
| Balance outstanding as at the end of the year Receivable/ (Payable) | - | - | (127.43) |
| | | | (35.08) |

* Federal Mogul Ignition Products India Limited (India), payables includes Rs 300 lacs (31.03.2018 Rs 350 lacs) payable against Inter corporate deposits taken and Rs. 1.94 lacs (31.03.2018 Rs 3.12 lacs) payable against the interest on the same.

** Federal Mogul Powertrain Solutions India Private Ltd, payables includes Rs 2,000.00 lacs (31.03.2018 Rs 1,930.00 lacs) payable against Inter corporate deposits taken and Rs 10.90 lacs (31.03.2017 Rs 12.54. lacs) payable against the interest on the same.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

Key Managerial Personnel*

Rs. in lacs

| Particulars | Mr Vinod Kumar Hans | | Mr Manish Chadha | | Mr Khalid Iqbal Khan | | Mr Rajesh Sinha | |
|--------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Remuneration | 164.46 | 157.91 | 91.95 | 77.28 | 83.86 | 76.20 | 104.12 | 97.11 |

Key Managerial Personnel*

| Particulars | Mr. Anand Kumar Sahoo | | Mr. Kapil Arora | | Mr. Ashish Kaul | | Mr. Toshiaki Imai | |
|--------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Remuneration | 28.01 | 20.63 | 31.50 | 24.22 | - | 1.95 | 51.03 | 48.28 |
| | Grand Total | | | | | | | |
| | | | | | | | 554.93 | |
| | | | | | | | 503.58 | |

Non-executive directors*

| Particulars | Mr Krishnamurthy Naga Subramaniam | | Mr Mukul Gupta | | Sundareshan Kanakku Chembakaraman Pillai | | Mahendra Kumar Goyal | |
|------------------------|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|--|-------------------------------|-------------------------------|-------------------------------|
| | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 | 1 April 2018 to 31 March 2019 | 1 April 2017 to 31 March 2018 |
| Director's sifting fee | 17.35 | 11.60 | 13.60 | 7.80 | 1.00 | 2.80 | 0.60 | 0.40 |
| | Total | | | | | | | |
| | | | | | | | 28.80 | |
| | | | | | | | 20.80 | |

*Key Managerial Personnel who are under the employment of the Company are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

11. Operating lease

a) Assets taken under operating lease

Office premises taken by the Group's parent Company are on operating leases. The group enter into certain cancellable and non cancellable operating leases arrangement towards office premises.

The details disclosure required by Ind AS-17, Leases is given below:-

| Particulars | Year Ended 31 March 2019 | Year Ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| 1. Lease payments for the year | 321.41 | 216.01 |
| 2. Minimum lease payments | | |
| a. Not later than one year | 202.86 | 184.42 |
| b. Later than one year and not later than five years | 117.49 | 289.32 |
| c. Later than five years | - | - |

b) The lease payment recognise in the Statement of Profit and Loss for the year is **Rs 321.41 lacs** (Previous year Rs 216.01 lacs).

12. Employee benefit obligations

Gratuity

The parent and subsidiary 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.

Disclosure of gratuity

(i) Amount recognised in the statement of profit and loss is as under:

| Description | Year Ended 31 March 2019 | Year Ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Current service cost | 454.45 | 457.88 |
| Past service cost | - | 62.59 |
| Interest cost | 658.67 | 617.73 |
| Expected Return on plan assets | (419.11) | (326.50) |
| Amount recognised in the statement of profit and loss | 694.01 | 811.70 |

(ii) Remeasurement (gains) / loss recognised in other comprehensive income

| Description | Year Ended 31 March 2019 | Year Ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Actuarial (gain)/ loss on obligations arising from changes in experience adjustments | (236.08) | (52.36) |
| Actuarial (gain)/ loss on obligations arising from changes in financial assumptions | (233.52) | (337.89) |
| Remeasurements of the post employment defined benefit plans (gain) / loss | (469.60) | (390.25) |
| Return on plan assets (greater)/ less than discount rate | (11.52) | 17.68 |
| Remeasurements of the post employment defined benefit plans (gain) / loss recognised in OCI | (481.12) | (372.57) |

Notes to the Consolidated Financial Statements for the year ended 31 March 2019
(All amounts in Rs. lacs, unless otherwise stated)
(iii) Movement in the liability recognised in the balance sheet is as under:

| Description | Year Ended 31 March 2019 | Year Ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Present value of defined benefit obligation as at the beginning of the year | 9,666.00 | 9,879.15 |
| Current service cost | 454.45 | 457.88 |
| Past service cost | - | 62.59 |
| Interest cost | 658.67 | 617.73 |
| Remeasurements of the post employment defined benefit plans (gain) / loss | (469.60) | (390.25) |
| Benefits paid directly by the company | (0.45) | (1.40) |
| Benefits paid from the fund | (1,042.29) | (959.70) |
| Present value of defined benefit obligation as at the end of the year | 9,266.78 | 9,666.00 |

(iv) Movement in the plan assets recognised in the balance sheet is as under:

| Description | Year Ended 31 March 2019 | Year Ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Fair Value of plan assets at beginning of year | 5,702.18 | 4,873.06 |
| Expected Return on plan assets | 419.11 | 326.50 |
| Contributions by employer | 1,535.58 | 1,480.00 |
| Benefits paid | (1,042.29) | (959.70) |
| Remeasurements of the post employment defined benefit plans (gain) / loss | 11.52 | (17.68) |
| Fair Value of plan Assets at the end of the year | 6,626.10 | 5,702.18 |

| Description | As at 31 March 2019 | As at 31 March 2018 |
|---------------------------------|------------------------|------------------------|
| Defined benefit obligation | 9,266.78 | 9,666.00 |
| Fair valuation of plan assets | 6,626.10 | 5,702.18 |
| Plan (assets)/ liability | 2,640.68 | 3,963.82 |

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

| Description | Year Ended 31 March 2019 | Year Ended 31 March 2018 |
|------------------------------------|-----------------------------|-----------------------------|
| Insurance company products | 96.20% | 94.71% |
| Equity shares | 3.00% | - |
| Bonds (including accrued interest) | 0.41% | 0.47% |
| Cash | 0.40% | 4.82% |

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

Actuarial assumptions

| Description | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Discount rate | 7.30% p.a. | 7.35% p.a. |
| Normal retirement age* | 58 years | 58 years |
| Employee turnover | 5.0% p.a. | 5.0% p.a. |
| Expected rate of return on Plan Assets | 7.30% p.a. | 7.35% p.a. |
| Salary increase rate | 7.00% p.a. | 7.50% p.a. |

* For patiala unit of parent entity 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.

(v) A quantitative sensitivity analysis for significant assumptions :

| Description | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Impact of the change in discount rate | | |
| Present value of obligation at the end of the year | 9,266.78 | 9,666.00 |
| - Impact due to increase of 0.50 % | 9,030.47 | 9,415.90 |
| - Impact due to decrease of 0.50 % | 9,515.00 | 9,928.50 |
| Impact of the change in salary increase | | |
| Present value of obligation at the end of the year | 9,266.78 | 9,666.00 |
| - Impact due to increase of 0.50 % | 9,488.52 | 9,902.10 |
| - Impact due to decrease of 0.50 % | 9,051.00 | 9,437.00 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payouts are expected in future years:

| Description | As at 31 March 2019 |
|--------------------------|------------------------|
| Year ended 31 March 2020 | 1,322.69 |
| Year ended 31 March 2021 | 1,166.63 |
| Year ended 31 March 2022 | 1,121.00 |
| Year ended 31 March 2023 | 1,405.87 |
| Year ended 31 March 2024 | 1,269.96 |
| 01 April 2024 and above | 6,668.10 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

13. Revenue related disclosures
(a) Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers (Ind AS 115), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

The Company has applied Ind AS 115 prospectively from 1 April 2018 and the adoption of this standard did not have a material impact on the financial statements of the Company.

(b) Disaggregation of revenue

Revenue recognised mainly comprises of sale of products which majorly comprises of piston, piston rings and other auto components. Set out below is the disaggregation of the Group's revenue from contracts with customers:

The following payouts are expected in future years:

| Particulars | As at 31 March 2019 |
|---|------------------------|
| Revenue from contracts with customers | |
| Sale of products | |
| Domestic | 120,721.60 |
| Export | 10,938.64 |
| Other operating income | 2,522.75 |
| Total revenue covered under Ind AS 115 | 134,182.99 |

(c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

| Particulars | As at 31 March 2019 |
|--|------------------------|
| Contract liabilities | |
| Advances from consumers | 129.63 |
| Security deposits received from customers | 452.98 |
| Total contract liabilities | 582.61 |
| Receivables | |
| Trade receivables | 24,079.57 |
| Less : Allowances for expected credit loss | (302.00) |
| Net receivables | 23,777.57 |

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

(d) Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

| Particulars | As at 31 March 2019 | |
|---|-------------------------|---|
| | Contract Liabilities | |
| | Advances from consumers | Security deposits received from customers |
| Opening balance | 287.00 | 471.19 |
| Addition during the year | 5,603.45 | 72.69 |
| Revenue recognised during the year/ amount refunded during the year | (5,760.82) | (90.90) |
| Closing balance | 129.63 | 452.98 |

(e) Satisfaction of performance obligations

The Group's revenue is derived from the single performance obligation to transfer primarily its products under arrangements in which the transfer of control of the products and the fulfilment of the Group's performance obligation occur at the same time. Revenue from the sale of goods is recognized when the Group has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Group will collect the consideration to which it is entitled to in exchange for the goods. Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Group expects to be entitled to.

(f) Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 30-60 days (excluding transit days).

(g) Variable considerations associated with such sales

Periodically, the Group announces various volume and other rebate programs, where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Group only recognizes revenue for the amounts it ultimately expects to realize from the customer. The Group estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates each reporting period.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

14. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| a. The principal amount remaining unpaid as at the end of year | 2,133.19 | 536.00 |
| b. Interest due on above principal and remaining unpaid as at the end of the year | 1.42 | 3.56 |
| c. 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 | - | - |
| d. 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. | 18.80 | 33.78 |
| e. The amount of interest accrued and remaining unpaid at the end of each accounting year; and | 20.22 | 37.34 |
| f. 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 | 20.22 | 37.34 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

15. Provision for regulatory matters

The parent Company is continuously evaluating processes for regulatory matters at its factories based on more accurate evidences available, a provision, towards costs to be incurred to remediate these matters, of **Rs.334.78 lacs** is included under Note no. 15 for provisions which are net of amounts utilized of **Rs.213.52 lacs** during the year towards remediation.

In addition to the above, the provision for regulatory matters includes a provision of **Rs.1,846.72 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 Indian Accounting Standard (Ind AS) 37 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.

16. Management support charges

During the financial year 2018-19, the company has paid the Management Support charges under Cost Allocation Agreement with Federal Mogul Holding Deutschland GmbH to **Rs. 3,211.68 lacs** (Previous year 2017-18 Rs. 3016.57 lacs).

These charges are availment of centralised services pertaining to all the products of the parent company and, inter-alia, include Technical Support, Operations Management, Applications Engineering, Global Executive Management Services, Purchasing, Key Accounts Sales Management. This charge is based on actual services received by the parent company on cost basis without any mark up and is at an arm's length basis.

17. 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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

18. 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. 257.91 lacs (Previous year :- Rs. 207.76 lacs)

b) Amount spent during the year on-

| Particulars | Year ended 31 March 2019 | | | Year ended 31 March 2018 | | |
|-------------------------------|--------------------------|------------------------|---------------|--------------------------|------------------------|---------------|
| | In Cash | Yet to be paid in Cash | Total | In Cash | Yet to be paid in Cash | Total |
| a. Education related expenses | 161.92 | - | 161.92 | 100.57 | - | 100.57 |
| b. Health related expenses | 3.57 | - | 3.57 | 54.46 | - | 54.46 |
| c. Social activities | 86.07 | - | 86.07 | 44.48 | - | 44.48 |
| d. Others | 6.36 | - | 6.36 | 8.25 | - | 8.25 |
| | 257.91 | - | 257.91 | 207.76 | - | 207.76 |

19. The Honourable Supreme Court of India in its decision dated 28 February 2019 has held that an 'allowance' paid by an employer to its employee will be included in the scope of 'basic wages' and hence, should be included in the calculations for determining provident fund contributions. The said decision has not prescribed any clarification regarding its date of application. The Group is in the process of evaluating the impact of the said judgement on the provident fund contributions. Pending further clarifications and evaluations of impact of said decision and based on legal advice, no additional provision for provident fund contributions have been recognised in the financial statements for the year ended 31 March 2019.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

20. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

| Particulars | Non-current borrowings including current maturities of long term borrowings | Non-current borrowings including current maturities of Short term borrowings* | Interest |
|---|---|---|---------------|
| Opening Balance 1 April 2017 | 3,722.22 | 4,434.75 | 157.86 |
| Non cash changes due to | | | |
| - Interest expense | - | - | 666.67 |
| Cash flows during the year due to | | | |
| - Repayment of term loan during the year | (3,722.22) | - | - |
| - Movement in short term borrowings during the year | - | (2,133.13) | - |
| - Payment of interest | - | - | (762.62) |
| Closing Balance as on 31 March 2018 | - | 2,301.62 | 61.91 |
| Non cash changes due to | | | |
| - Interest expense | - | - | 512.71 |
| Cash flows during the year due to | | | |
| - Movement in short term borrowings during the year | - | (1.62) | - |
| - Payment of interest | - | - | (467.43) |
| Closing Balance as on 31 March 2019 | - | 2,300.00 | 107.20 |

* Excluding cash credit facilities from bank which has been considered as part of cash and cash equivalents as per requirement of Ind AS - 7(Statement of Cash Flows)

21. Disclosure of additional information pertaining to the Parent and subsidiary company per Schedule III of Companies Act, 2013 :

| Name of the Company | Rs. in lacs | | | | | | | |
|------------------------------------|---|------------------------------------|--------------------------|--------------------------|---------------------------|--------------------------|----------------------------------|----------|
| | 2018-19 | | | | | | | |
| | Net Assets (Total Assets minus Total Liabilities) | | Share in profit and loss | | Other comprehensive (OCI) | | Total comprehensive income (TCI) | |
| As % of Consolidated net assets | Net assets | As % of Consolidated profit & loss | Profit / (loss) | As % of Consolidated OCI | OCI | As % of Consolidated TCI | TCI | |
| Parent Company | | | | | | | | |
| Federal Mogul Goetze India Limited | 84.9 | 72,825.48 | 82.7 | 7,899.80 | 96.9 | 304.11 | 83.2 | 8,203.91 |
| Indian Subsidiary | | | | | | | | |
| Federal-Mogul TPR (India) Limited | 15.1 | 12,965.08 | 17.3 | 1,650.01 | 3.1 | 9.70 | 16.8 | 1,659.71 |

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2019

| Name of the Company | 2017-18 | | | | | | | |
|------------------------------------|---|------------|------------------------------------|-----------------|---------------------------|--------|----------------------------------|----------|
| | Net Assets (Total Assets minus Total Liabilities) | | Share in profit and loss | | Other comprehensive (OCI) | | Total comprehensive income (TCI) | |
| | As % of Consolidated net assets | Net assets | As % of Consolidated profit & loss | Profit / (loss) | As % of Consolidated OCI | OCI | As % of Consolidated TCI | TCI |
| Parent Company | | | | | | | | |
| Federal Mogul Goetze India Limited | 84.2 | 64,246.52 | 83.2 | 8,012.36 | 98.0 | 239.24 | 83.6 | 8,251.60 |
| Indian Subsidiary | | | | | | | | |
| Federal-Mogul TPR (India) Limited | 15.8 | 12,040.76 | 16.7 | 1,606.85 | 2.0 | 4.75 | 16.4 | 1,611.60 |

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31 March 2018

Notes to the Consolidated Financial Statements for the year ended 31 March 2019
(All amounts in Rs. lacs, unless otherwise stated)
22. Non-controlling interest

| Particulars | As at | |
|--|-----------------|-----------------|
| | 31 March 2019 | 31 March 2018 |
| Opening balance | 5,899.96 | 5,399.25 |
| Share of profit/(loss) during the year | 808.51 | 787.36 |
| Share of other comprehensive income/(loss) during the year | 4.75 | 2.33 |
| Dividend paid during the year | (360.34) | (288.98) |
| Closing balance | 6,352.88 | 5,899.96 |

Set out below is summarised financial information for subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed are before inter-company eliminations.

a) Summarised Balance Sheet
Federal-Mogul TPR (India) Limited

| Particulars | As at | |
|-------------------------------|------------------|------------------|
| | 31 March 2019 | 31 March 2018 |
| Current assets | 10,597.75 | 8,929.25 |
| Current liabilities | 1,223.27 | 891.19 |
| Net current assets | 9,374.48 | 8,038.06 |
| Non-current assets | 3,992.49 | 4,392.51 |
| Non-current liabilities | 401.89 | 389.81 |
| Net non-current assets | 3,590.60 | 4,002.70 |
| Net assets | 12,965.08 | 12,040.76 |
| Accumulated to NCI | 6,352.88 | 5,899.96 |

b) Summarised Statement of Profit and Loss
Federal-Mogul TPR (India) Limited

| Particulars | Year Ended | |
|-----------------------------------|------------------|------------------|
| | 31 March 2019 | 31 March 2018 |
| Revenue | 10,685.03 | 10,966.40 |
| Profit for the year | 1,650.01 | 1,606.85 |
| Other comprehensive income/(loss) | (9.70) | (4.75) |
| Total comprehensive income | 12,325.34 | 12,568.50 |
| Profit allocated to NCI | 808.51 | 787.36 |
| Dividends paid to NCI | 360.34 | 288.98 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Rs. lacs, unless otherwise stated)

c) Summarised Cash Flows

Federal-Mogul TPR (India) Limited

| Particulars | Year Ended 31 March 2019 | Year Ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Cash flows from operating activities | 1,815.63 | 909.26 |
| Cash flows from investing activities | (1,318.34) | (157.98) |
| Cash flows from financing activities | (743.20) | (592.39) |
| Net increase/(decrease) in cash and cash equivalents | (245.91) | 158.89 |

For Walker Chandiok & Co. LLP
Chartered Accountants

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

Anamitra Das
Partner

Vinod Kumar Hans
Whole Time Managing Director
DIN : 03328309

Manish Chadha
Chief Finance Officer & Finance Director
DIN : 07195652

Place: Gurugram
Date: 28th May 2019

Khalid Iqbal Khan
Whole Time Director - Legal & Company Secretary
DIN : 05253556

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TENNECO
POWERTRAIN



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Payen

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