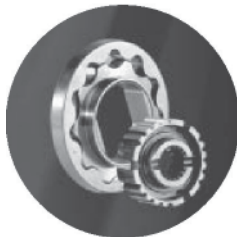


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BOARD OF DIRECTORS

Chairman & Director

Mr. K.N. Subramaniam



Whole Time Managing Director

Mr. Andreas Wilhelm Kolf



Whole Time Director - Legal & Company Secretary

Dr. Khalid Iqbal Khan



Directors

Mr. Sunit Kapur

Mr. Bernhard Motel

Mr. Mukul Gupta

Ms. Janice Ruskey Maiden

Mr. Mahendra Kumar Goyal



Cheif Financial Officer

Mr. Manish Chadha

Auditors

M/s. Walker, Chandiook & Co.

**REGISTRAR AND SHARE
TRANSFER AGENTS**

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

REGISTERED OFFICE

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

WORKS

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

BANKERS

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

TEN YEARS' FINANCIAL REVIEW

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

Assets Liabilities & Net Worth

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

Significant Ratios

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

DIRECTORS' REPORT

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

FINANCIAL RESULTS

[Rs. in lacs]

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

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

Operations

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

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

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

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

Auditors' Comments

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

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

DIVIDEND

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

MANAGEMENT DISCUSSION AND ANALYSIS:

(a) Industry structures and developments

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

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

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

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

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

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

DIRECTORS' REPORT (Contd.)

(b) Opportunities and Threats

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

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

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

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

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

(c) Segment wise or product wise performance

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

(d) Outlook

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

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

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

(e) Risks and concern

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

Raw material prices:

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

Foreign Currency Risks:

Exchange rate fluctuations may have an adverse impact on the Company

Technical Intensive Industry:

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

Cyclical nature of the Industry:

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

Increasing competition :

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

Excess/ short capacity:

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

(f) Adequacy of Internal Control Systems

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

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

Subsidiary Companies

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

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

Abridged Financial Statements

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

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

Directors' Responsibility Statement

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

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

Directors

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

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

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

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

Public Deposits

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

Auditors

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

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

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

Shifting of Registered Office

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

Human Resources

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

Safety, Health and Environment Protection

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

Corporate Social Responsibility

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

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

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

Corporate Governance Report

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

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

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

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

Cautionary Statement

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

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

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

Particulars of Employees

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

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

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

Acknowledgement

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

For and on behalf of the Board

Andreas Wilhelm Kolf

Whole Time
Managing Director

Place: Gurgaon

Date: 22nd May 2015

Sachin Selot

Whole Time
Finance Director & CFO

ANNEXURE TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

a) The following energy conservation measures were taken:

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

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

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

c) Impact of the above measures

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

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

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

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

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

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

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

3. Future plan of action

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

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

- Capital	409.24
- Recurring	512.60

Total 921.84

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

Technology absorption, adaptation and innovation

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

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

Piston Rings; Autogauging for inspection; chip melting plant and robotic Casting Machines i.e MLDB and Fata;

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

2. Benefits derived as a result of above efforts;

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

3. Import of Technology for the last 5 years

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

C. ENVIRONMENT & SAFETY

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

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

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

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

grinding m/cs .

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

D. FOREIGN EXCHANGE EARNING AND OUTGO

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

Andreas Wilhelm Kolf

Whole Time Managing Director
DIN : 00519780

Sachin Selot

Whole Time Finance Director & CFO
DIN : 06700360

Dr. Khalid Iqbal Khan

Company Secretary

CORPORATE GOVERNANCE REPORT

1. PHILOSOPHY

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

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

2. BOARD OF DIRECTORS

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

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

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

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

Information placed before the Board :

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

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

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

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

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

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

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

Ms. Janice Ruskey Maiden, was also appointed as an Additional Non-Executive Director in the Board Meeting held on 13th August, 2014. Ms. Janice Maiden, aged about 56 years, is a Graduate in Textile Engineering from Philadelphia University, Philadelphia, PA, MSE/Executive Masters in Technology Management (EMTM) from University of Pennsylvania, Philadelphia, PA. and has undergone International Business Development Program under INSEAD - General Management Program (CEDEP), Fontaine Bleu, France. Ms. Maiden has 33 years of rich experience in technology exploration, product and business development.

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

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

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

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

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

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

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

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

CNEID : Chairman and Non-Executive Independent Director

NEID : Non Executive Independent Director

MD : Managing Director

WTFD & CFO : Whole Time Finance Director & CFO

NED : Non Executive Director

Note 1 : The above excludes Foreign Companies.

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

Code of Conduct

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

3. AUDIT COMMITTEE

a) Terms of Reference

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

b) Composition, name of members and Chairman

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

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

c) Meetings and Attendance

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

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

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

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

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

4. NOMINATION AND REMUNERATION COMMITTEE

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

a) Terms of reference

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

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

b) Meetings and Attendance

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

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

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

Nomination & Remuneration Policy and Evaluation criteria

The Nomination & Remuneration Policy has been formulated :

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

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

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

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

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

Name of Executive Directors	Remuneration for the year ended 2014-15	Amount	Other Conditions
Andreas Wilhelm Kolf	- Salaries - Contribution to Provident & Other funds - Other Perquisites	4,95,00,000 51,37,303 30,58,000	Service Contracts : The Central Government accorded, its approval to appointment and payment of remuneration, effective 25th April, 2014 to 5th November 2016 Notice Period : 3 Months Severance Fees : Nil
Total		5,76,95,303	
Sachin Selot	- Salaries - Contribution to Provident & Other funds	86,55,211 35,46,052	Service Contracts : Memembers passed the resolution for appointment w.e.f. 6th Nov. 2013 to 5th Nov. 2016 Notice Period : 3 Months Severance Fees : Nil
Total		1,22,01,263	

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

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

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

• Shareholders' Complaints :

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

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

6. Separate Meeting of Independent Directors:

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

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

All the Independent Directors were present in the meeting.

7. ANNUAL GENERAL MEETINGS

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

Postal Ballot:

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

8. DISCLOSURES

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

- Details of Familiarisation programme for Independent Directors www.federalmogulgoetzeindia.net
- Policy on Related Party Transaction www.federalmogulgoetzeindia.net

9. MEANS OF COMMUNICATION

Results

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

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

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

10. GENERAL SHAREHOLDERS INFORMATION

a. 60th Annual General Meeting

- Date and Time
- Venue

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

b. Financial Year

c. Financial Calendar (Tentative)

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

Last week of July 2015
Last week of October 2015
Last week of January, 2016
Last week of May 2016
Last week of August 2016

d. Book Closure date

e. Listing on Stock Exchanges

5th August 2015 to 11th August 2015 (both days inclusive)

- Bombay Stock Exchange Limited

Phiroze JeeJee Bhoy Towers, Dalal Street, Mumbai-400001

- The National Stock Exchange of India Ltd.,

Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai.

(See Note)

Bombay Stock Exchange-505744

National Stock Exchange-FMGOETZE

INE 529A01010

INE 529A01010

f. Stock Code

ISIN No.-NSDL

- CDSL

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

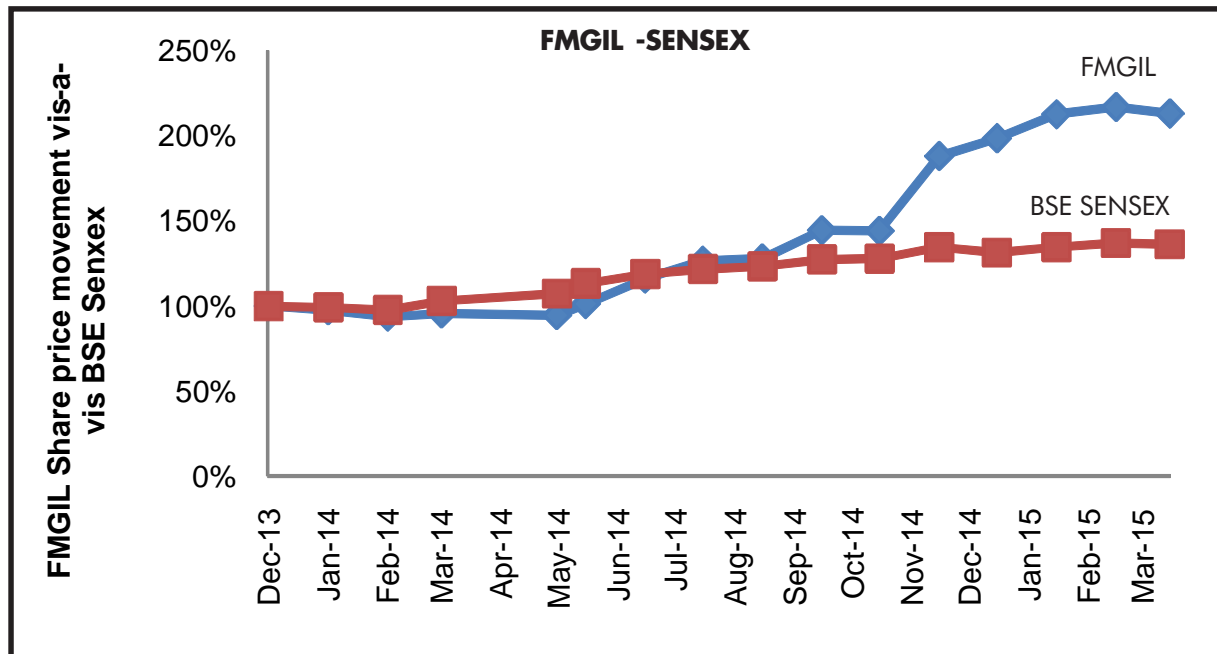
g. Stock Market Data*

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

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

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

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



i. Share Transfer System

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

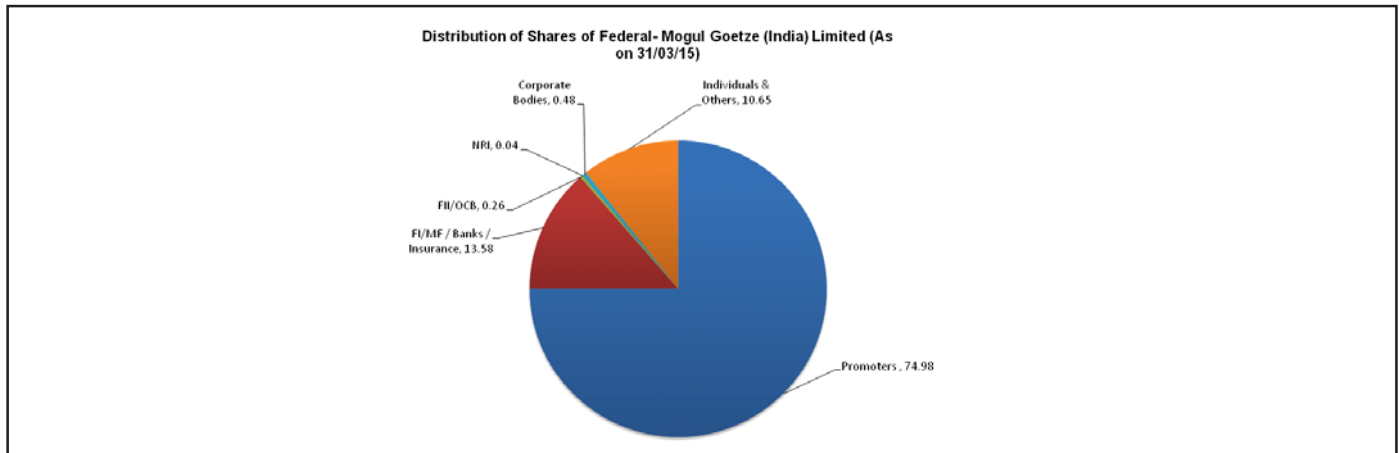
j. Distribution Schedule as on 31/03/2015

A] On the basis of shares held

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

B] On the basis of Category

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



k. Dematerialization of shares and Liquidity

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

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

m. Plant Locations :

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

n. Corporate office:

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

Registered office:

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

o. Registrar and Share Transfer Agent

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

p. Compliance Officer :

Dr. Kahlid Iqbal Khan, Company Secretary

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

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

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

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

For and on behalf of the Board

Andreas Wilhelm Kolf
Whole Time Managing Director

Sachin Selot
Whole Time Finance Director & CFO

Place : Gurgaon
Date : 22nd May, 2015

DECLARATION OF MD

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

Place : Gurgaon
Date : 22nd May, 2015

Andreas Wilhelm Kolf
Whole Time Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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

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

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

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

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

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

For SURINDER VASHISHTHA & ASSOCIATE
COMPANY SECRETARIES

Place : Gurgaon
Date : 22nd May, 2015

SURINDER VASHISHTHA
C.P No. : 12313

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

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

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

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

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

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

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

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

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

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

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

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

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

We further report that:

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

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

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

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

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

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

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

Place : NEW DELHI
Date: 22-05-2015

AUDITORS' REPORT

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

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

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

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

Report on Other Legal and Regulatory Requirements

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

Other Matter

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

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

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

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

Partner

Place : Gurgaon

Membership

Date : May 22, 2015

No.: 502013

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

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

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

- secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- (vi) The Company has not accepted any deposits from the public within the meaning

- of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine

- (ix)(a) whether they are accurate or complete. Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess on account of any dispute, are as follows:

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

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

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

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

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

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

per Neeraj Sharma
Partner

Place: Gurgaon
Date: 22nd May, 2015

Membership
No.: 502103

Abridged Balance Sheet as at 31 March, 2015
(Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of the Companies Act, 1956)

	Notes	As at 31 March, 2015 Rs (in lacs)	As at 31 December, 2013 Rs (in lacs)
I. Equity and Liabilities			
i) Shareholders' Funds			
a) Paid-up Share Capital Equity		5,563.21	5,563.21
ii) Reserves and surplus			
i. Capital Reserve	56.55		56.55
ii. Capital Subsidy	1.12		1.12
iii. Securities Premium Account	26,750.74		26,750.74
iv. Capital Redemption Reserve	1,000.00		1,000.00
v. General Reserve			
vi. Surplus in Profit & Loss Account	11,705.85	39,514.26	8,570.31
		45,077.47	41,941.93
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowings		722.22	1,555.56
(b) Deferred tax liabilities (net)		433.98	1,523.79
(c) Other long term liabilities		396.94	278.38
(d) Long-term provisions		6,038.65	6,165.62
		7,591.79	9,523.35
(4) Current liabilities			
(a) Short-term borrowings		21,253.32	18,688.57
(b) Trade payables		22,334.88	17,553.22
(c) Other current liabilities		2,169.79	2,521.53
(d) Short-term provisions		197.00	143.83
		45,954.99	38,907.15
Total of (1) to (4)		98,624.25	90,372.43
II. ASSETS			
(5) Non-current assets			
(a) Fixed assets			
(i) Tangible assets (Original cost less Depreciation)		46,767.25	47,391.67
(ii) Intangible assets (Original cost less amortisation)		-	-
(iii) Capital work-in-progress		5,642.20	3,319.35
(b) Non-current investments		510.00	510.00
(c) Long-term loans and advances		3,170.01	4,145.95
		56,089.46	55,366.97
(6) Current assets			
(a) Current investments		-	-
(b) Inventories		19,790.14	14,845.27
(c) Trade receivables		17,293.25	14,664.50
(d) Cash and bank balances		977.21	592.80
(e) Short-term loans and advances		3,976.76	4,502.54
(f) Other current assets		497.43	400.35
		42,534.79	35,005.46
Total of (5) to (6)		98,624.25	90,372.43

Accompanying notes form an integral part of these financial statements.

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

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

Place: Gurgaon
Date: May 22, 2015

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

Andreas Wilhelm Kolf
Whole Time Managing Director
DIN : 00519780

Dr. Khalid Iqbal Khan
Company Secretary

Sachin Selot
Whole Time Finance Director & CFO
DIN : 06700360

Abridge Profit and Loss account for the period 1 January 2014 to 31 March 2015

(Statement containing the salient features of Statement of Profit & Loss Account as per Section 219 (1)(b)(iv) of the Companies Act 1956)

Rs (in lacs)

	For the period ended 1st January 2014 to 31 March, 2015	For the year ended 1 January 2013 to 31 December 2013
INCOME		
Sale of products		
Finished goods	1,54,571.91	1,15,927.83
Traded goods	6,954.14	4,743.23
Other operating revenue		
Job work income	1,792.50	1,266.86
Export incentives	477.83	440.06
Scrap sales	2,913.17	2,197.93
Revenue from operations (gross)	1,66,709.55	1,24,575.91
Less: Excise duty	(13,056.65)	(10,878.74)
Revenue from operations (net)	1,53,652.90	1,13,697.17
II. Increase in inventories	3,326.78	2,055.04
III. Other income	3,742.53	2,256.90
IV. Total Income (I+II+III)	1,60,722.21	1,18,009.11
V. Expenditure		
(a) Cost of raw material and components consumed	55,112.52	39,483.52
(b) Purchase of traded goods	5,379.44	3,776.98
(c) Employee benefit expenses	31,949.53	23,615.72
(d) Finance cost	3,696.85	2,678.17
(e) Depreciation and amortisation expenses	8,937.31	6,613.55
(f) Other expenses	50,900.83	38,805.32
Total expenditure (a to f)	1,55,976.48	1,14,973.26
VI. Profit/(Loss) before tax (IV-V)	4,745.73	3,035.85
VII. Tax expense		
1. Current tax	2,500.00	884.50
2. Tax earlier year	200.00	-
3. Deferred tax (reversal)/ charge	(1,089.81)	92.79
VIII. Profit/(Loss) after tax for the period from continuing operations (VI-VII)	3,135.54	2,058.56
Profit/(Loss) for the year	3,135.54	2,058.56
Earnings per equity share (Rs.)		
Basic and diluted [Nominal value of shares Rs. 10]	5.64	3.70

Accompanying notes form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

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

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

Place: Gurgaon
Date: May 22, 2015

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

Andreas Wilhelm Kolf
Whole Time Managing Director
DIN : 00519780

Sachin Selot
Whole Time Finance Director & CFO
DIN : 06700360

Dr. Khalid Iqbal Khan
Company Secretary

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

Rs (in lacs)

	For the period ended 1st January 2014 to 31 March, 2015	For the year ended 1 January 2013 to 31 December 2013
1. Cash flow from operating activities	10,729.45	9,594.23
2. Cash flows from investing activities	(8,835.13)	(8,035.26)
3. Cash flows from financing activities	(1,494.35)	(1,391.46)
4. Net decrease in cash and cash equivalents (1+2+3)	399.97	167.51
5. Cash and cash equivalents at the beginning of the period	180.25	12.74
6. Cash and cash equivalents at the end of the period	580.22	180.25

Accompanying notes form an integral part of these financial statements.

Notes

1. The above Abridged Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3 on "Cash Flow Statement" notified by the Government of India under the Accounting Standard Rules, 2006
2. Figures in brackets indicate cash outflow.
3. Previous year figures have been regrouped and recasted, wherever necessary, to conform to the current year's classification.
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.

This is the Balance Sheet referred to in our report of even date

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

per Neeraj Sharma
Partner

Place: Gurgaon
Date: May 22, 2015

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

Andreas Wilhelm Kolf
Whole Time Managing Director
DIN : 00519780

Dr. Khalid Iqbal Khan
Company Secretary

Sachin Selot
Whole Time Finance Director & CFO
DIN : 06700360

Notes to financial statements for the period ended 31 March 2015

1. a) Corporate Information

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

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

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

b) Basis of Preparation

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

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

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

2. Statement of Significant Accounting Policies

a) Use of estimates

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

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

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

c) Depreciation on tangible fixed assets

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

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

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

d) Impairment of tangible and intangible assets

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

e) Intangible Assets

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

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

f) Leases

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

g) Investments

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

h) Inventories

Inventories are valued as follows:

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

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

i) Revenue Recognition

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

i) Sale of Goods:

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

ii) Job Work:

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

iii) Interest:

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

iv) Dividends:

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

v) Commission:

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

vi) Export Benefits/Incentives:

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

vii) Management support charges:

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

viii) Lease Income :

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

j) Borrowing Costs

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

k) Foreign Currency Transactions

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

l) Retirement and Other Employee Benefits

- (i) Provident fund contributions are charged to profit and loss, account, when contributions paid/payable are due to "Goetze India Limited Provident Fund Trust", administered by the trustees and to the Regional Provident Fund Commissioners. The Company accrues for the deficit in the Provident Fund trust as per the books of accounts of the Trust.
- (ii) Gratuity liability under the Payment of Gratuity Act, 1972 is accrued on the basis of an actuarial valuation made at the end of each financial year. The actuarial valuation is done as per projected unit credit method.
- (iii) Short term compensated absences are provided for based on estimates. Long term compensation liability for leave encashment is determined in accordance with company policy and is measured on the basis of valuation by an independent actuary at the end of the financial year. The actuarial valuation is done as per projected unit credit method.

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

(v) **Superannuation Benefit**

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

m) Income Taxes

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

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

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

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

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

n) Earnings per Share

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

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

o) Provisions, contingent liability and contingent asset

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

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

Contingent assets are not recognized in the financial statement.

p) Cash and Cash Equivalents

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

q) Segment Reporting

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

Rs. in Lacs

As at 31 March, 2015

As at 31 December, 2013

3. Segment Information

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

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

Geographical segment

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

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

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

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

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

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

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

5. Contingent liabilities

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

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

- i) Matters are pending at Joint Commissioner, Central Excise , Bangalor where four show cause notice were received for the period 2000 to 2004 for the excise duty demand of Rs.76.42 lacs on the differential discount which was given to stockist. Matter is pending with Joint Commissioner, Central Excise, Bangaluru. (Previous period Rs.33.73 lacs).
- ii) Matters are pending with CESTAT, Bangaluru wherein notice was received for the period of 2006-07 for disallowing the cenvat credit taken twice on the invoices for the excise demand of Rs.5.03 lacs The case is pending for hearing. (Previous period Rs. 5.03 lacs).
- iii) Matter is pending with CESTAT, Delhi on the six show cause notices received for the period 2002 to 2006 for the excise duty demand of Rs. 189.48 raised on the Turnover Discount for the period of 2002-06. The cases are pending with the CESTAT, Delhi for hearing (Previous period Nil).
- iv) Matters are pending for two show cause notices received on the Patiala plant for the interest amount of Rs.14.02 lacs on the reversal of Special additional duty taken wrongly. Cases are related to 2000-2001 and pending with the CESTAT, Delhi for hearing. (Previous Year 14.02 lacs).

- v) Matter is pending on the show cause notice received for the excise duty amounting Rs. 6.96 lacs on the classification issue related to the period of 1998-99. After filing of reply, there is no movement in the case and pending before Joint Commissioner, Excise (Previous period Rs. 6.96 lacs).
- vi) Matter is pending for a show cause notice received in 2002 for the excise duty of Rs. 3.32 lacs on scrap sale for the period 2001-02. After filing of reply, there is no movement in the case and it is pending with Joint Commissioner, Excise, Patiala (Previous period 3.32 lacs).
- vii) Matter is pending for a show cause notice on disallowance of excise credit of Rs.9.34 lacs on the ground that credit does not fall in the category of input category. The case is related to the period 1987 to 1990 and pending with Honourable High Court.
- viii) Matter is pending with Joint Commissioner, Central Excise on five notices related to period of 1997-98, 1998-99, 1995-96 and 2003-04 for the disallowance of Modvat Credit on the input raw material for amounting Rs.6.16 lacs (Previous Year Nil).
- ix). Matter is pending before the Supreme Court in the valuation case where two notices were issued to Patiala plant where department alleged on the job work valuation and demanded excise duty of Rs.15.13 lacs.(Previous period 15.13 lacs).
- x). Matter is pending before the Commissioner, Excise, Jaipur for taking excess credit of excise duty of Rs.3.19 lakhs for the period 2010-11.(Previous period Nil).
- xi). Matter is pending before the Commissioner, Excise on issuance of show cause notice on the cenvat credit taken on LPG on the invoice addressed to Goetze India (technical errors) amounting to Rs. 0.97 lacs (Previous period Nil).
- 1) In relation to b (i) above, Service tax cases contested by the Company comprise of:
- i). Matter is pending with CESTAT, Bangaluru in respect of notice for the period FY 2006-2007 amounting to Rs. 86.44 lacs wherein disallowed the service tax credit taken on Input Service Distributor invoices received from Gurgaon. (Previous period Rs 86.44 lacs).
- ii). Nine matters are pending for the year 2009 to 2014 where company disallowed the service tax credit for Rs.2829 lacs for the common inputs used in the job work which are exempted activities as per the excise authorities.
- iii) Matter is pending for a notice received for the period 2005-06 wherein service tax credit was disallowed for Rs.113.70 lacs on account of non-availability of service invoices. The case is pending before the CESTAT, Bangaluru for the decision. (Previous period Rs.113.70 lacs).
- iv) Company received seven show cause notices at Patiala plants for the period 2005 to 2011 for disallowance of service tax credit on various services for the service tax amounting Rs.96.11 lacs. The case is pending with Joint Commissioner, Service Tax (Previous period Rs 96.11 lacs).
- v) Matter is pending with the Commissioner (Appeals), Central Excise, Chandigarh for two show cause notices received for the period 2009 to 2013 for demanding the service tax credit taken on the inward and outward freight amounting Rs.31.93 lacs (Previous period Nil).
- vi) Matter is pending in Bangaluru unit for the period 2008 to 2011 for the service tax not paid on written off material for Rs.5.81 lacs The case is pending before Commissioner, Service Tax. Company is confident of favourable decision in this case. (Previous period Nil).
- vii) Matters are pending for seven show cause notices for Patiala plant for the period 2006 to 2007 for disallowance of service tax credit on mediclaim services for the service tax amounting Rs.19.18 lacs. The case is pending before CESTAT, Delhi. (Previous period Nil).
- viii) Matter are pending for seven show cause notices received for the period 2008 to 2012 for the disallowance of service tax credit amounting Rs.79.02 lacs on few certain services for Bhiwadi Plant for disallowance and demanding the service tax. Cases are pending with Joint Commissioner and Additional Commissioner, Service Tax, Jaipur for hearing. (Previous period Rs. 79.02 lacs).
- ix) Matter is pending on the show cause notice received for corporate office for the period 2008 to 2011 for the service tax demand of Rs.134.18 lacs for disallowance of service tax credit on various services.(Previous period Rs. 134.18 lacs).
- x) Matter is pending for the service tax demand on the Royalty and technical know how for Rs.16.79 lacs.(Previous period Nil).
- xi) Service tax is pending for the service tax credit of Rs.10.71 lacs for disallowance of service tax credit for 2011 to 213 (Previous period Nil).
- xii) Recently, service tax show cause notice received on manpower recruitment services for Rs.4.54 lacs where service tax not paid on PF and ESI services in the year 2012-13 (Previous period Nil).
- xiii) Service tax show cause notice received for non-maintenance of service tax register for past period for the demand Rs.294 lacs for the period 2009-13. Reply is to be filed for defending the case before Commissioner. (Previous period Nil).
- 2) In relation of b (ii) above, sales tax cases contested by the Company comprise of :
- i) Sale tax matter is pending for assessment year 1996-97 to 2001-02 where sale tax demand was raised on the classification issue/rates difference on product "Groove Insert Casting" for amounting Rs.97 lacs. Company has deposited Rs.215.87 lacs. Recently, adverse verdict received and tax demand is 97 lacs with interest which will be adjusted from the deposited amount. Company has provided Rs.97 lacs in the books. (Previous period the total demand amount was Rs. 442.92 lacs).
- ii) Matter is pending with Hon'ble High Court of Karnataka on sale tax demand notice for the period 2005-06 for the sale tax demand of Rs. 278.51 lacs for the sale tax rate difference charged on the Piston. Case is pending before the Hon'ble High court for the final decision. The Company so far has made an under protest payment of Rs.55 lacs in this matter (Previous period 278.51 lacs).

- iii) Matter is pending with Karnataka Sale Tax Tribunal for the penalty of Rs.1.36 lacs for not paying CST on the central sale on the C form liability. Company has deposited Rs.1.36 lacs in this case. The case is related to 2007-08 pending before the Karnataka Sale tax Tribunal for decision. (Previous period Nil).
 - iv) Matters is pending with next DCCT, Audit Bangaluru for Full 2014-15 on account C Forms pendency for Rs. 293 lacs. The company has filed an appeal before the Joint Commissioner. (Previous period Nil).
 - v) Matter is pending with Joint Commissioner, Ghaziabad for the sale tax demand of Rs.82.78 lacs for the financial year 2007 -08 on account of several issues like rate differences, disallowance of central sales, stock transfer and best judgement sales. Company has deposited Rs.47.54 lacs in this case and provided Rs.30 in one of the tax issue (Previous period Rs. 82.78 lacs).
 - vi) Matter is pending with Sale Tax authorities, Patna for the sale tax demand of Rs.25.66 lacs on account of non-availabilities of few documents and pending for hearing. (Previous period Rs. 25.66 lacs).
 - vii) Four matters are pending at Kolkata sale tax authorities on various reasons for the financial year 2001-02, 2004-05 and 2006 -07 for the sale tax demand of Rs.6.37 lacs on account of disallowance of sale returns, warranty material and stock transfer forms. (Previous period Rs. 6.37 lacs).
 - viii) Tax demand notice received from Maharashtra Sale Tax Demand of Rs.30.19 lacs on non-submission of forms F and matter is pending with next appellate authorities. (Previous period 30.19 lacs).
 - ix) Matter is pending with Additional Commissioner, Delhi for the total sale tax demand of Rs. 613.92 lacs on the four notices issued on best judgement basis for various reasons including disallowance of stock transfer, Central sale and penalty on the above. One issue is related to sale of fixed assets where sale tax demand is Rs.175 lacs out of total tax demand. Company made a provision of Rs. 172 lacs for this. The case is pending with hearing and related to financial year 2007-08. Company is confident of favourable order on the remaining tax demand as case was adjudged wrongly without giving opportunity.(Previous period the total demand amount was Rs. 613.92 lacs).
 - x) Matter is pending with Joint Commissioner, Sale / Commercial Tax, Ghaziabad for the sale tax demand on the disallowance of stock transfer of Rs.32.68 lacs for the financial year 2012-13 (Previous period Rs. 32.11 lacs).
 - xi) Matter is pending with Additional Commissioner, Delhi for the financial year 2008-09 for the sale tax demand of Rs. 73.44 lacs which is demanded on the basis of best judgement (Previous period 73.44 lacs).
 - xii) Three matters are pending with next appellate authorities (Bhiwadi) for Full2008-09, 2009-10 and 2012-13 on account C Forms pendency. Amount involved Rs. 306.00 lacs.(Previous period Nil).
 - xiii) Entry tax not paid on imported machinery in the Bangaluru as similar case is pending before the Supreme Court on the decision that entry tax is unconstitutional and should not be levied. Afer 2011, Company started paying entry tax and capitalising the amount of entry tax. Amount Involved is Rs 410 lacs.
- 3) In relation of b (iii) above, employee related cases comprise of:
- Claims against the Company not acknowledged as debt, in respect of demands raised by the workers. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. Amount involved is Rs. 286.05 lacs. (Previous period Rs. 242.99 lacs).
- 4) In relation to b (iv) above, electricity demand comprise of In respect of a demand raised by Punjab State Electricity Board (PSEB) for various years in relation to availment of additional load. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. Amount involved is Rs. 52.24 lacs (Previous period Rs. 52.24 lacs).
- 5) In relation to b (v) above, income tax cases disputed by the Company comprise of:
- i) In respect of Assessment Year 1998-99, certain additions were made on normal as well as on book profits. The matter is pending with Honourable High court. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs 86.69 lacs (Previous period Rs 86.69 lacs).
 - ii) In respect of Assessment Year 2002-03, certain additions were made on normal income as well as on book profits. The matter is pending with Assessing Officer for appeal effect. The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. The amount for contingent liability for the year is Rs. 68.45 lacs. (Previous period Rs. 23.13 lacs).
 - iii) In respect of Assessment Year 2003-04, disallowance was made for carry forward losses as well as certain disallowances. The matter is subject to two different appeals. One is pending with the Assessing Officer and other with the Commissioner of Income Tax(Appeals). The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. The amount involved is Rs.158.01 lacs. (Previous period Rs. 158.01 lacs).
 - iv) In respect of Assessment Year 2006-07, certain additions were made on normal as well as on book profit. The matter is pending with AO. The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. The amount for contingent liability for the year is Rs. 39.52 lacs (Previous period Rs. 39.52 lacs).
 - v) In respect of Assessment Year 2006-07, under Wealth tax assessment, debts relating to certain taxable assets were disallowed. The matter is pending with Income Tax Appellate Tribunal. The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 3.90 lacs (Previous period Rs 3.90 lacs).
 - vi) In respect of Assessment Year 2008-09, certain additions were made on normal profits. The matter is pending with Income Tax Appellate Tribunal. The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 72.68 lacs. (Previous period Rs 72.68 lacs).

- vii) In respect of Assessment Year 2009-10, certain additions were made on normal profits. The matter is pending with Commissioner Income Tax (Appeals). The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 163.61 lacs. (Previous period Rs 163.61 lacs).
- viii) In respect of period starting 01.04.2007 to 31.03.2015, Company has received TDS default notices on account of short deduction/ short payment of tax deduction at Source. The Company believes that defaults should have arisen due to some technical and clerical errors and could be corrected by filing of revised return/correction statements. The amount involved is Rs. 19.06 lacs. (Previous period Rs 27.71 lacs).
- ix) In respect of Assessment Year 1999-2000, certain additions were made on normal as well as on book profit. The matter is pending with Honourable Supreme Court. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. The amount for contingent liability for the year is Rs. 83.26 lacs (Previous period Rs. Nil).
- x) In respect of Assessment Year 2010-11, certain additions were made on normal profits. The matter is pending with Commissioner Income Tax (Appeals). The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 87.26 lacs. (Previous period Rs NIL).
- xi) In respect of Assessment Year 2011-12, certain additions were made on normal profits in the draft order. The matter is pending filling objection before DRP. The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 17.85 lacs. (Previous period Rs NIL).

6. Related Party Disclosures

- (i) In accordance with the requirement of Accounting Standard (AS - 18) on related party disclosures where control exist and description of the relationship are as follows:
 - (a) Name of Parties where Control Exists
 - i) Holding Company
Federal Mogul Holdings Limited (Mauritius)
 - ii) Subsidiary
Federal-Mogul TPR (India) Limited
 - iii) Ultimate Holding Company
Federal Mogul Corporation, USA
 - (b) Key managerial personnel
 - Mr. Andreas Wilhelm Kolf, Managing Director
 - Mr. Sachin Selot, CFO & Whole Time Director
 - Mr. Khalid Iqbal Khan, Company Secretary
 - Mr. Sunit Kapur, Director
 - Mr. Dan Brugger, Whole Time Director (till Feb. 2013)
 - Mr. Vikrant Sinha, Whole Time Director (till March 2013)
 - (c) Fellow subsidiaries
 - Federal Mogul Burscheid GMBH, Germany
 - Federal Mogul Nurnberg, GMBH (Germany)
 - Federal Mogul Holding Deutschland (Germany)
 - Federal Mogul Limited (U.K.)
 - Federal Mogul Financial Services FRANCTNL (France)
 - Federal Mogul Gorzyce, S.A. (Poland)
 - Federal Mogul Friedberg, GMBH (Germany)
 - Federal Mogul Sintered Products Ltd. (U.K.)
 - Federal Mogul Friction Products Ltd (Thailand)
 - Federal Mogul Thailand Manufacturina Ayutthaya, (Thailand)
 - Federal Mogul France, S.A. (France)
 - Federal Mogul Corporation, Garennes (France)
 - Federal Mogul (Shanghai)
 - Federal Mogul Friction Products Ltd.
 - Federal Mogul Worldwide Aftermarket

- Federal Mogul Sistemas Brazil
- Federal Mogul Dongsuh Piston Co. Ltd. (China)
- Federal Mogul Bradford Ltd.
- Federal Mogul Powertrain Sparta, MI
- Federal Mogul KK Yokohama
- Federal Mogul Powertrain Inc, Southbend
- Federal Mogul Chasseneuil
- Federal Mogul Kontich
- Federal Mogul Bearings India Ltd (India)
- Federal-Mogul Ignition Products India Ltd (India) (Formerly Federal Mogul Automotive Product (India) Pvt Ltd.)
- Federal-Mogul Motorparts Ltd. (India) (Formerly known as Federal Mogul VSP India Ltd.)
- Federal-Mogul PTSB India Pvt. Ltd. (India) (Formerly known as Federal-Mogul Trading India Pvt. Ltd.)

(d) Associates

GI Power Ltd.

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

(ii) Summary of Related Party Transactions

Rs. in lacs

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

Rs. in lacs

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

(ii) Summary of Related Party Transactions

Rs. in lacs

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

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

Rs. in lacs

Particulars	Fellow Subsidiaries								Total
	Federal Mogul Bearings India Limited (India)		Federal Mogul Ignition Products India Limited (India)		Federal-Mogul Motorparts India Limited		Federal Mogul PTSB India Limited, (India)		
	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	1st January 2014 to 31 March 2015	1st January 2013 to 31 December 2013	
Sales	-	-	-	-	-	-	-	-	-
Purchase of raw material, intermediaries and finished goods	697.64	720.31	2,500.21	1,737.96	910.65	-	-	-	4,108.50
Reimbursement of expenses paid	672.49	-	76.41	23.75	-	-	-	-	772.70
Reimbursement of expenses (recd.)	(1,133.15)	(161.74)	(491.29)	-	(95.85)	(433.85)	(47.04)	(642.63)	(2,103.25)
Inter-corporate deposit (ICD) taken	-	-	100.00	375.00	-	(75.00)	705.00	1,005.00	2,100.00
Inter-corporate deposit (ICD) repaid	-	-	(500.00)	(900.00)	-	(75.00)	(320.00)	(1,295.00)	(3,200.00)
Interest on the above ICD	-	-	247.19	291.67	-	0.74	481.33	773.74	934.86
Balance outstanding as at the end of the period (payable) (Refer Note 1)	(109.70)	(43.13)	(1,908.91)	(2,082.10)	11.88	(13.45)	(4,884.92)	(7,023.61)	(5,912.63)
Balance outstanding as at the end of the period Receivables	-	-	-	-	-	17.74	34.45	52.19	(6219.86)

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

Rs. in lacs

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

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

Rs. in lacs

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

7. Operating lease

Rs. in Lacs

a) Assets taken under operating lease

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

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

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

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

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

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

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

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

Statement of Profit and Loss

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

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

Rs. in Lacs

As at 31 March, 2015

As at 31 December, 2013

Balance Sheet

Details of provision for gratuity

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

Plan liability	3,981.20	4,300.68
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Changes in the present value of the defined benefit obligation are as follows:

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

Closing defined benefit obligation	8,328.70	7,754.71
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Changes in the fair value of plan assets are as follows:

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

Closing fair value of plan assets	4,347.50	3,454.03
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The Company's expected contribution to the fund in the next year is not presently ascertainable and hence, the contribution expected to be paid during the annual period beginning after the balance sheet date as required by para 120(o) of the accounting standard 15(revised) on employee benefits has not been disclosed.

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

	%	%
Investments with insurer	100	100

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

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

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

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

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

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

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

Rs. in Lacs

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

15. Expenses capitalised

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

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

16. Provision for regulatory matters

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

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

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

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

17. Management support charges

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

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 domestic and international transactions are at arm's length and that the results of the on-going study will not have any impact on the financial statements and the independent consultants appointed have also preliminarily confirmed that they do not expect any transfer pricing adjustments.

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

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. 57.35 lacs.
- b) Amount spent during the year on-

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

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

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

per Neeraj Sharma
Partner
M. No. 502103

Place: Gurgaon
Date: May 22nd, 2015

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

Andreas Wilhelm Kolf
Managing Director
DIN : 00519780

Dr. Khalid Iqbal Khan
Company Secretary

Sachin Selot
Whole Time Finance Director & CFO
DIN : 06700360

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

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

Andreas Wilhelm Kolf
 Whole Time Managing Director
 DIN : 00519780

Sachin Selot
 Whole Time Finance Director & CFO
 DIN : 06700360

Dr. Khalid Iqbal Khan
 Company Secretary

INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

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

For Walker Chandiok & Co LLP

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

per Neeraj Sharma

Partner

Membership No.: 502103

Place : Gurgaon

Date : 22 May 2015

Abridged Consolidated Balance Sheet as at 31 March, 2015
(Statement containing the salient features of Balance Sheet as per Section 219 (1)(b)(iv) of the Companies Act 1956)

	Notes	As at 31 March, 2015 Rs (in lacs)	As at 31 December, 2013 Rs (in lacs)
I. Equity and Liabilities			
i) Shareholders' Funds			
a) Paid-up Share Capital Equity		5,563.21	5,563.21
ii) Reserves and surplus			
i. Capital Reserve	56.55		56.55
ii. Capital Subsidy	1.12		1.12
iii. Securities Premium Account	26,750.74		26,750.74
iv. Capital Redemption Reserve	2,000.00		2,000.00
v. General Reserve	1,144.00		909.00
vi. Surplus in Profit & Loss Account	11,572.50	41,524.91	8,460.22
		47,088.12	43,740.84
(2) Minority interest		6,715.23	5,590.08
(3) Non-current liabilities			
(a) Long-term borrowings		722.22	1,555.56
(b) Deferred tax liabilities (net)		540.34	1,658.88
(c) Other long term liabilities		396.94	278.39
(d) Long-term provisions		6,103.68	6,216.14
		7,763.18	9,708.97
(4) Current liabilities			
(a) Short-term borrowings		18,143.31	15,838.57
(b) Trade payables		20,954.80	16,888.72
(c) Other current liabilities		2,246.05	2,612.10
(d) Short-term provisions		891.95	609.37
		42,236.11	35,948.76
Total of (1) to (4)		103,802.64	94,988.65
II. ASSETS			
(5) Non-current assets			
(a) Fixed assets			
(i) Tangible assets (Original cost less Depreciation)		48,618.10	49,604.51
(ii) Intangible assets (Original cost less amortisation)		-	-
(iii) Capital work-in-progress		5,728.45	3,330.05
(b) Non-current investments		-	-
(c) Long-term loans and advances		3,446.92	4,604.50
		57,793.47	57,539.06
(6) Current assets			
(a) Current investments		-	-
(b) Inventories		20,544.96	15,565.78
(c) Trade receivables		18,217.51	15,382.58
(d) Cash and bank balances		2,576.34	1,387.67
(e) Short-term loans and advances		4,138.14	4,713.22
(f) Other current assets		532.22	400.34
		46,009.17	37,449.59
Total of (5) to (6)		103,802.64	94,988.65

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

As per our attached report of even date

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

per Neeraj Sharma
Partner

Place: Gurgaon
 Date: 22nd May, 2015

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

Andreas Wilhelm Kolf
 Whole Time Managing Director
 DIN : 00519780

Dr. Khalid Iqbal Khan
 Company Secretary

Sachin Selot
 Whole Time Finance Director & CFO
 DIN : 06700360

Abridge Consolidated Statement of profit and loss for the period 1 January 2014 to 31 March 2015

(Statement containing salient features of Profit and Loss Account as per Section 219(1)(b)(iv) of the Companies Act, 1956)

Rs (in lacs)

	For the period ended 1st January 2014 to 31 March, 2015	For the year ended 1 January 2013 to 31 December 2013
INCOME		
Sale of products		
Finished goods	1,61,432.84	1,19,759.95
Traded goods	6,954.14	4,743.23
Other operating revenue		
Export incentives	477.84	440.06
Scrap sales	2,921.06	2,214.87
Revenue from operations (gross)	1,71,785.88	1,27,158.11
Less: Excise duty	(13,799.17)	(11,358.18)
Revenue from operations (net)	1,57,986.71	1,15,799.93
II. Increase in inventories	3,442.92	2,089.82
III. Other income	1,877.47	701.89
IV. Total Income (I+II+III)	1,63,307.10	1,18,591.64
V. Expenditure		
(a) Cost of raw material and components consumed	51,852.32	35,391.32
(b) Purchase of traded goods	5,379.44	3,776.98
(c) Employee benefit expenses	32,542.14	24,073.82
(d) Finance cost	3,340.71	2,469.26
(e) Depreciation and amortisation expenses	9,341.36	6,904.82
(f) Other expenses	52,926.59	40,359.71
Total expenditure (a to f)	1,55,382.56	11,12,975.91
VI. Profit/(Loss) before tax (IV-V)	7,924.54	5,615.73
VII. Tax expense		
1. Current tax	3,766.95	1,813.54
2. Tax earlier year	200.00	-
3. Deferred tax (reversal)/ charge	(1,118.54)	182.09
VIII. Profit/(Loss) after tax for the period from continuing operations (VI-VII)	5,076.13	3,620.10
VIII. Minority interest	1,125.15	903.69
IX. Profit after minority interest (VII-VIII)	3,950.98	2,716.41
Earnings per equity share (Rs.)	30	
Basic and diluted [Nominal value of shares Rs. 10 (31 December 2013: Rs. 10)]	9.12	6.51

Accompanying notes form an integral part of these financial statements.

For Walker Chandiok & Co LLP
(formerly Walker Chandiok & Co)
Chartered Accountants
per Neeraj Sharma
Partner
M. No. 502103

Place: Gurgaon
Date: May 22, 2015

For and on behalf of the Board of Directors of
Federal-Mogul Goetze (India) Limited
Andreas Wilhelm Kolf
Managing Director
DIN : 00519780

Khalid Iqbal Khan
Company Secretary

Sachin Selot
Whole Time Finance Director & CFO
DIN : 06700360

Abridge Consolidated cash flow statement for the period 1 January 2014 to 31 March 2015

	Rs (in lacs)
	For the period ended 1st January 2014 to 31 March, 2015
	For the year ended 1 January 2013 to 31 December 2013
1. Cash flow from operating activities	12,787.44
2. Cash flows from investing activities	(9,666.82)
3. Cash flows from financing activities	(2,335.99)
4. Net decrease in cash and cash equivalents (1+2+3)	784.63
5. Cash and cash equivalents at the beginning of the period	499.92
6. Cash and cash equivalents at the end of the period	1,284.55
	90.64
	409.28
	499.92

Accompanying notes form an integral part of these financial statements.

Notes

1. The above Abridged Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3 on "Cash Flow Statement" notified by the Government of India under the Accounting Standard Rules, 2006
2. Figures in brackets indicate cash outflow.
3. Previous year figures have been regrouped and recasted, wherever necessary, to conform to the current year's classification.
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.

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

per Neeraj Sharma
 Partner
 M. No. 502103

Place: Gurgaon
 Date: May 22, 2015

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

Andreas Wilhelm Kolf
 Whole Time Managing Director
 DIN : 00519780

Dr. Khalid Iqbal Khan
 Company Secretary

Sachin Selot
 Whole Time Finance Director & CFO
 DIN : 06700360

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

1. a) Corporate Information

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

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

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

b) Basis of Preparation and Consolidation

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Statement of Significant Accounting Policies

a) Use of estimates

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

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

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

c) Depreciation on tangible fixed assets

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

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

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

d) Impairment of tangible and intangible assets

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

e) Intangible Assets

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

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

f) Leases

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

g) Investments

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

h) Inventories

Inventories are valued as follows:

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

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

i) Revenue Recognition

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

i) Sale of Goods:

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

ii) Job Work:

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

iii) Interest:

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

iv) Dividends:

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

v) Commission:

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

vi) Export Benefits/Incentives:

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

vii) Management support charges:

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

j) Borrowing Costs

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

k) Foreign Currency Transactions

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

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

l) Retirement and Other Employee Benefits

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

m) Income Taxes

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

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

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

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

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

n) Earnings per Share

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

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

o) Provisions, contingent liabilities and contingent assets

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

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

Contingent assets are not recognized in the financial statements.

p) Cash and Cash Equivalents

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

q) Miscellaneous Expenditure

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

r) Segment Reporting Policies

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

Rs (in lacs)

**As at
31 March 2015** As at
31 December 2013

3. Segment Information

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

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

Geographical segment

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

India	135,727.39	105,200.21
Other countries	18,860.42	7,944.79
	154,587.81	113,145.00

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

India	14,310.50	14,054.42
Other countries	3,907.01	1,328.15
	18,217.51	15,382.57

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

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

Total estimated amount of contracts, remaining to be executed on capital account and not provided for as at 31 March 2015 is Rs. 2,103.94 lacs (as at 31 December 2013 Rs.1,093.67 lacs).

5. Contingent liabilities

(a) Bank guarantees	596.25	554.54
(b) Claims/notices contested by the Company		
(i) Excise duty and service tax	4,051.40	687.20
(ii) Sales tax	2250.91	1,781.70
(iii) Employee related cases	286.05	242.99
(iv) Electricity demand	52.24	52.24
(v) Income tax demands	800.28	609.55
vi) Excise duty and Service tax (Subsidiary:FM-TPR)	2,486.35	1,398.33
vii) Sales tax (subsidiary:FM-TPR)	-	455.59
viii) Income tax demands (subsidiary:FM-TPR)	16.58	9.35

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

- i) Matters are pending at Joint Commissioner, Central Excise, Bangaluru where four show cause notice were received for the period 2000 to 2004 for the excise duty demand of Rs.76.42 lacs on the differential discount which was given to stockist. Matter is pending with Joint Commissioner, Central Excise, Bangaluru. (Previous Year Rs.33.73 lacs).
- ii) Matters are pending with CESTAT, Bangaluru wherein notice was received for the period of 2006-07 for disallowing the cenvat credit taken twice on the invoices for the excise demand of Rs.5.03 lacs. The case is pending for hearing. (Previous Year Rs. 5.03 lacs).
- iii) Matter is pending with CESTAT, Delhi on the six show cause notices received for the period 2002 to 2006 for the excise duty demand of Rs. 189.48 lacs raised on the Turnover Discount for the period of 2002-06. The cases are pending with the CESTAT, Delhi for hearing. (Previous Year Nil).
- iv) Matters are pending for two show cause notices received on the Patiala plant for the interest amount of Rs.14.02 lacs on the reversal of Special additional duty taken wrongly. Cases are related to 2000-2001 and pending with the CESTAT, Delhi for hearing. (Previous Year 14.02 lacs).
- v) Matter is pending on the show cause notice received for the excise duty amounting Rs. 6.96 lacs on the classification issue related to the period of 1998-99. After filing of reply, there is no movement in the case and pending before Joint Commissioner, Excise (Previous Year Rs. 6.96 lacs).
- vi) Matter is pending for a show cause notice received in 2002 for the excise duty of Rs. 3.32 lacs on scrap sale for the period 2001-02. After filing of reply, there is no movement in the case and it is pending with Joint Commissioner, Excise, Patiala (Previous Year 3.32 lacs).

- vii) Matter is pending for a show cause notice on disallowance of excise credit of Rs.9.34 lacs on the ground that credit does not fall in the category of input category. The case is related to the period 1987 to 1990 and pending with Honourable High Court.
- viii) Matter is pending with Joint Commissioner, Central Excise on five notices related to period of 1995-96, 1997-98, 1998-99 and 2003-04 for the disallowance of Modvat Credit on the input raw material for amounting Rs.6.16 lacs (Previous Year Nil).
- ix) Matter is pending before the Supreme Court in the valuation case where two notices were issued to Patiala plant where department alleged on the job work valuation and demanded excise duty of Rs.15.13 lacs.(Previous Year 15.13 lacs).
- x) Matter is pending before the Commissioner, Excise, Jaipur for taking excess credit of excise duty of Rs.3.19 lakhs for the period 2010-11.(Previous Year Nil).
- xi) Matter is pending before the Commissioner, Excise on issuance of show cause notice on the cenvat credit taken on LPG on the invoice addressed to Goetze India (technical errors) amounting to Rs. 0.97 lacs (Previous Year Nil).
- 1) In relation to b (i) above, Service tax cases contested by the Company comprise of :
- i) Matter is pending with CESTAT, Bangaluru in respect of notice for the period FY 2006-2007 amounting to Rs. 86.44 lacs wherein disallowed the service tax credit taken on Input Service Distributor invoices received from Gurgaon. (Previous Year Rs 86.44 lacs).
- ii) Nine matters are pending for the year 2009 to 2014 where company disallowed the service tax credit for Rs.2829 lacs for the common inputs used in the job work which are exempted activities as per the excise authorities.
- iii) Matter is pending for a notice received for the period 2005-06 wherein service tax credit was disallowed for Rs.113.70 lacs on account of non-availability of service invoices. The case is pending before the CESTAT, Bangaluru for the decision. (Previous Year Rs.113.70 lacs).
- iv) Company received seven show cause notices at Patiala plant for the period 2005-11 for disallowance of service tax credit on various services for the service tax amounting Rs.96.11 lacs. The case is pending with Joint Commissioner, Service Tax (Previous Year Rs 96.11 lacs).
- v) Matter is pending with the Commissioner (Appeals), Central Excise, Chandigarh for two show cause notices received for the period 2009-13 for demanding the service tax credit taken on the inward and outward freight amounting Rs.31.93 lacs (Previous Year Nil).
- vi) Matter is pending in Bangaluru unit for the period 2008-11 for the service tax not paid on written off material for Rs.5.81 lacs The case is pending before Commissioner, Service Tax. Company is confident of favourable decision in this case. (Previous Year Nil).
- vii) Matters are pending for seven show cause notices for Patiala plant for the period 2006-07 for disallowance of service tax credit on mediclaim services for the service tax amounting Rs.19.18 lacs. The case is pending before CESTAT, Delhi. (Previous Year Nil).
- viii) Matters are pending for seven show cause notices received for the period 2008 to 2012 for the disallowance of service tax credit amounting Rs.79.02 lacs on few certain services for Bhiwadi Plant for disallowance and demanding the service tax. Cases are pending with Joint Commissioner and Additional Commissioner, Service Tax, Jaipur for hearing. (Previous Year Rs. 79.02 lacs).
- ix) Matter is pending on the show cause notice received for corporate office for the period 2008-11 for the service tax demand of Rs.134.18 lacs for disallowance of service tax credit on various services.(Previous Year Rs. 134.18 lacs).
- x) Recently, company received a show cause notice on the few reverse charge services whose tax demand is Rs.671 lakhs for 2008 to 2013. Since Company covered these services in the amnesty scheme therefore Company is confident of favourable decision in this case. (Previous Year Nil).
- xi) Service tax is pending for the service tax credit of Rs.10.71 lacs for disallowance of service tax credit for 2011-13 (Previous Year Nil).
- xii) Recently, service tax show cause notice received on manpower recruitment services for Rs.4.54 lacs where service tax not paid on PF and ESI services in the year 2012-13 (Previous Year Nil).
- xiii) Service tax show cause notice received for non-maintenance of service tax register for past period for the demand Rs.294 lacs for the period 2009-13. Reply is to be filed for defending the case before Commissioner. (Previous Year Nil).
- 2) In relation of b (ii) above, sales tax cases contested by the Company comprise of:
- i) Sale tax matter is pending for assessment year 1996-97 to 2001-02 where sale tax demand was raised on the classification issue/rates difference on product "Groove Insert Casting" for amounting Rs.97 lacs. Company has deposited Rs.215.87 lacs. Recently, adverse verdict received and tax demand is 97 lacs with interest which will be adjusted from the deposited amount. Company has provided Rs.97 lacs in the books. (Previous Year the total demand amount was Rs. 442.92 lacs).
- ii) Matter is pending with Honb'ble High Court of Karnataka on sale tax demand notice for the period 2005-06 for the sale tax demand of Rs. 278.51 lacs for the sale tax rate difference charged on the Piston. Case is pending before the Honb'ble High court for the final decision. The Company so far has made an under protest payment of Rs.55 lacs in this matter (Previous Year 278.51 lacs).
- iii) Matter is pending with Karnataka Sale Tax Tribunal for the penalty of Rs.1.36 lacs for not paying CST on the central sale on the C form liability. Company has deposited Rs.1.36 lacs in this case. The case is related to 2007-08 pending before the Karnataka Sale tax Tribunal for decision. (Previous Year Nil).
- iv) Matters is pending with next DCCT, Audit Bangaluru for FY 2014-15 on account C Forms pendency for Rs. 293 lacs. The company has filed an appeal before the Joint Commissioner. (Previous Year Nil).
- v) Matter is pending with Joint Commissioner, Ghaziabad for the sale tax demand of Rs.82.78 lacs for the financial year 2007-08 on account of several issues like rate differences, disallowance of central sales, stock transfer and best judgement sales. Company has deposited Rs.47.54 lacs in this case and provided Rs.30 lacs in one of the tax issue (Previous Year Rs. 82.78 lacs).
- vi) Matter is pending with Sale Tax authorities, Patna for the sale tax demand of Rs.25.66 lacs on account of non-availabilities of few documents and pending for hearing. (Previous Year Rs. 25.66 lacs).

- vii) Four matters are pending at Kolkata sale tax authorities on various reason for the financial year 2001-02, 2004-05 and 2006 -07 for the sale tax demand of Rs.6.37 lacs on account of disallowance of sale returns, warranty material and stock transfer forms. (Previous Year Rs. 6.37 lacs).
 - viii) Tax demand notice received from Maharashtra Sale Tax Demand of Rs.30.19 lacs on non-submission of forms F and matter is pending with next appellate authorities. (Previous Year 30.19 lacs).
 - ix) Matter is pending with Additional Commissioner, Delhi for the total sale tax demand of Rs. 613.92 lacs on the four notices issued on best judgement basis for various reasons including disallowance of stock transfer, Central sale and penalty on the above. One issue is related to sale of fixed assets where sale tax demand is Rs.1.75 crore out of total tax demand. Company made a provision of Rs. 172 lacs for this. The case is pending with hearing and related to financial year 2007-08. Company is confident of favourable order on the remaining tax demand as case was adjudged wrongly without giving opportunity.(Previous Year the total demand amount was Rs. 613.92 lacs).
 - x) Matter is pending with Joint Commissioner, Sale / Commercial Tax, Ghaziabad for the sale tax demand on the disallowance of stock transfer of Rs.32.68 lacs for the financial year 2012-13 (Previous Year Rs. 32.11 lacs).
 - xi) Matter is pending with Additional Commissioner, Delhi for the financial year 2008-09 for the sale tax demand of Rs. 73.44 lacs which is demanded on the basis of best judgement (Previous Year 73.44 lacs).
 - xii) Three matters are pending with next appellate authorities (Bhiwadi) for FY 2008-09, 2009-10 and 2012-13 on account C Forms pendency. Amount involved Rs. 306.00 lacs.(Previous Year Nil).
 - xiii) Entry tax not paid on imported machinery in the Bangaluru as similar case is pending before the Supreme Court on the decision that entry tax is unconstitutional and should not be levied. After 2011, Company started paying entry tax and capitalising the amount of entry tax. Amount Involved is Rs 410 lacs.
- 3) In relation of b (iii) above, employee related cases comprise of:
Claims against the Company not acknowledged as debt, in respect of demands raised by the workers. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. Amount involved is Rs. 286.05 lacs. (Previous Year Rs. 242.99 lacs).
- 4) In relation to b (iv) above, electricity demand comprise of:
In respect of a demand raised by Punjab State Electricity Board (PSEB) for various years in relation to availment of additional load. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. Amount involved is Rs. 52.24 lacs (Previous Year Rs. 52.24 lacs).
- 5) In relation to b (v) above, income tax cases disputed by the Company comprise of:
- i) In respect of Assessment Year 1998-99, certain additions were made on normal as well as on book profits. The matter is pending with Honourable High court. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs 86.69 lacs (Previous Year Rs 86.69 lacs).
 - ii) In respect of Assessment Year 2002-03, certain additions were made on normal income as well as on book profits. The matter is pending with Assessing Officer for appeal effect. The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. The amount for contingent liability for the year is Rs. 68.45 lacs. (Previous Year Rs. 23.13 lacs).
 - iii) In respect of Assessment Year 2003-04, disallowance was made for carry forward losses as well as certain disallowances. The matter is subject to two different appeals. One is pending with the Assessing Officer and other with the Commissioner of Income Tax(Appeals). The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. The amount involved is Rs.158.01 lacs. (Previous Year Rs. 158.01 lacs).
 - iv) In respect of Assessment Year 2006-07, certain additions were made on normal as well as on book profit. The matter is pending with AO. The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. The amount for contingent liability for the year is Rs. 39.52 lacs (Previous Year Rs. 39.52 lacs).
 - v) In respect of Assessment Year 2006-07, under Wealth tax assessment, debts relating to certain taxable assets were disallowed. The matter is pending with Income Tax Appellate Tribunal. The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 3.90 lacs (Previous Year Rs 3.90 lacs).
 - vi) In respect of Assessment Year 2008-09, certain additions were made on normal profits. The matter is pending with Income Tax Appellate Tribunal. The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 72.68 lacs. (Previous Year Rs 72.68 lacs).
 - vii) In respect of Assessment Year 2009-10, certain additions were made on normal profits. The matter is pending with Commissioner Income Tax (Appeals). The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 163.61 lacs. (Previous Year Rs 163.61 lacs).
 - viii) In respect of period starting 01.04.2007 to 31.03.2015, Company has received TDS default notices on account of short deduction/ short payment of tax deduction at Source. The Company believes that defaults should have arisen due to some technical and clerical errors and could be corrected by filing of revised return/correction statements. The amount involved is Rs.19.06 lacs. (Previous Year Rs 27.71 lacs).
 - ix) In respect of Assessment Year 1999-00, certain additions were made on normal as well as on book profit. The matter is pending with Honourable Supreme Court. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. The amount for contingent liability for the year is Rs. 83.26 lacs (Previous Year Rs. Nil).
 - x) In respect of Assessment Year 2010-11, certain additions were made on normal profits. The matter is pending with Commissioner Income Tax (Appeals). The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 87.26 lacs. (Previous Year Rs Nil).

- xi) In respect of Assessment Year 2011-12, certain additions were made on normal profits in the draft order. The matter is pending filing objection before DRP. The Company has done an analysis and is of the opinion that it has fair chance of favorable decision. The amount involved is Rs 17.85 lacs. (Previous Year Rs Nil).
- 6) In relation to b (vi) above, excise cases disputed by the Subsidiary Company ('FM-TPR') comprise of:
- i) Matter pending with Commissioner of Central Excise :
 - a) In relation to deduction of trade discounts for the period 2000-2002 to 2003-2004. The amount involved is Rs. 2.42 lacs (Previous Year Rs. 2.42 lacs)
 - b) Company has received demand notice for the period 2007-08, which is on account of demand for service tax on supplementary bills on job work charges for price reduction passed on by one of the suppliers. The amount involved including interest and penalties is Rs.29.84 lacs (As at 31 December 2013 Rs. Nil).
 - c) In respect of irregular availment of cenvat credit on certain products obtained on job work basis for the period 2010 - 2013. The amount involved including interest and penalties is Rs.807 lacs (Previous Year Rs. Nil). On this issue, seven cases are pending before CESTAT.
 - d) In respect of notice received for the period Aug 2013-Jan2014 on account of Cenvat credit taken of service tax on job work charges. The Company has done an analysis and is of the opinion that it has fair chance of a favorable decision. A stay was also granted to the Company in the month of February 2012 in this matter. The amount involved is Rs.199.02 lacs (Previous Year Rs.Nil).
 - e) On the issue of denial of service tax credit on job work, tax authorities has filed an appeal before the High Court against the Order of CESTAT. The tax demand was Rs.611.96 lacs in this case (Previous Year Rs. Nil)
 - f) Company has received demand notice for the period 2010-14, which is on account of demand for service tax credit on sole selling expenses made by the Company. The amount involved including interest and penalties is Rs. 255.52 lacs (Previous Year Nil).
 - g) Company has received two demand notice for the period 2008-10, which is on account of demand for service tax credit on sole selling expenses made by the Company. The amount involved including interest and penalties is Rs.191.65 lacs(Previous Year Rs.135.15 lacs).
 - h) In respect of availment of service tax credit in relation to management consultancy service for the period 2006-09. The amount involved is Rs.98.12 lacs (Previous Year Rs.98.12 lacs).
 - i) In respect of availment of cenvat credit (service tax) in relation to cross charges for the period 2010 to 2014. The amount involved is Rs.276.70 lacs (Previous Year Rs.Nil).
 - j) Company has received demand notice for the period 2010-12, where service tax credit disallowed on few services in the service tax audit whose tax demand is Rs.12.35 lacs. (Previous Year 12.35 lacs)
 - k) Company has received demand notice for the period 2012-13, which is on account of demand for service tax credit on frieght outward expenses made by the Company. The amount involved including interest and penalties is Rs.1.97 lacs (Previous Year 1.97 lacs.)
- 7) In relation to (b) (vii) above, following are the Sales tax cases contested by Subsidiary Company ('FM-TPR') comprise of:
- i) The matter is pending before the Joint Commissioner of Commercial taxes('JCCT'Appeals), Bangalore:
 - a) The matter is pending at Assessing Officer for appeal effect in respect of Assessment Year 2010-11, disallowances were made on account of certain Advance wrtten-off in books and expenditure incurred on technical training fee. The amount involved is Rs. Nil (Previous Year Rs. 3.69 lacs).
- 8) In relation to (c) above, income tax cases disputed by the subsidiary company FMTPR comprise of:
- i) In respect of Assessment Year 2010-11, 2011-12 and 2013-14 Company has received TDS default notices on account of short deduction/ short payment of tax deduction at Source. The amount involved is Rs. 4.99 lacs (Previous Year 4.99 lacs).
 - ii) In respect of Assessment Year 2014-15, Company has received TDS default notices on account of short deduction/ short payment of tax deduction at Source.The amount involved is Rs. 1.66 lacs (Previous Year 0.70 lacs).
 - iii) The matter is pending at Assessing Officer for appeal effect in respect of Assessment Year 2011-12, disallowances were made on account of miscellaneous expense and technical training fee. The amount involved is Rs. 2.19 lacs (Previous Year Nil).
 - iv) The matter is pending at Assessing Officer for appeal effect in respect of Assessment Year 2012-13, disallowances were made on account of certain Service Tax recoverable wrtten-off in books and expenditure incurred on technical training fee. The amount involved is Rs. 7.73 lacs (Previous Year Nil).

6. Information in respect of related parties

(a) Name of Parties where Control Exists

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

(b) Key managerial personnel

- Mr. Andreas Wilhelm Kolf, Managing Director

- Mr. Sachin Selot, CFO & Whole Time Director
- Mr. Khalid Iqbal Khan, Secretary
- Mr. Sunit Kapur, Director
- Mr. Dan Brugger, Whole Time Director
- Mr. Vikrant Sinha, Whole Time Director
- Mr. Anand Kumar Sahoo, Secretary (FMTPR Ltd.)
- Mr. S. Raghvendra, Manager (FMTPR Ltd.)

(c) Fellow subsidiaries

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

(d) Associates

- GTZ Securities Limited

Related party disclosure

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

Rs. in lacs

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

Rs. in lacs

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

Rs. in lacs

Particulars	Fellow Subsidiaries				Total
	Federal Mogul Financial Services FRANCTNL (France)	Federal Mogul Sintered Products Limited, (U.K)	Other Fellow Subsidiaries	Federal Mogul Friction Products Ltd. (Thailand)	
	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2013 to 31 December 2013
Sales	-	-	(611.83)	(50.06)	868.98
Purchase of raw material	-	-	7.19	29.48	4,046.70
Purchase / (Sale) of Fixed Assets	-	-	89.87	42.80	2,297.38
Trade Mark & license fees	-	-	127.48	-	-
Management Support charges paid	-	-	-	-	631.51
Reimbursement of expenses paid	-	21.91	-	7.12	29.03
Reimbursement of expenses (received)	-	-	(0.09)	-	(167.28)
Royalty Expense	-	-	366.18	259.58	1,266.59
Balance outstanding as at the end of the period Receivables	-	-	-	-	44.81
Balance outstanding as at the end of the period (Payable)	-	(130.27)	(136.73)	(118.95)	(1,022.54)

Rs. in lacs

Particulars	Fellow Subsidiaries												
	Federal Mogul Bearings India Limited (India)			Federal Mogul Ignition Products India Limited (India)			Federal Mogul Holding Deutschland (Germany)			Federal Mogul Friction Products Ltd. (Thailand)			Total
	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	
Purchase of raw material, intermediaries and finished goods	697.64	720.31	2,500.21	1,737.96	910.65	-	-	-	-	-	-	4,108.50	2,458.28
Trademark & License fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses paid	672.49	-	76.41	23.75	4.59	-	-	19.20	-	-	-	772.70	23.76
Reimbursement of expenses (received)	(1,133.15)	(1,61.74)	(491.29)	-	(95.85)	(433.85)	-	(382.96)	(47.04)	-	-	(2,103.25)	(642.62)
Inter-corporate deposit (ICD) Taken	-	-	100.00	375.00	-	(75.00)	-	2,000.00	705.00	-	-	2,100.00	1,005.01
Inter-corporate deposit (ICD) repaid	-	-	(500.00)	(900.00)	-	(75.00)	-	(2,700.00)	(320.00)	-	-	(3,200.00)	(1,294.99)
Interest on the above ICD	-	-	247.19	291.67	-	0.74	-	687.67	481.33	-	-	934.86	773.75
Balance outstanding as at the end of the period Payable	(109.70)	(43.13)	(1,908.91)	(2,082.10)	(11.88)	(13.45)	-	(4,189.36)	(4,884.92)	-	-	(6,219.86)	(7,023.59)
Balance outstanding as at the end of the period Receivables	-	-	-	-	-	17.74	-	-	34.45	-	-	-	52.20

Notes: * FM Ignition payables includes Rs 1,525 lacs (Previous year Rs 1,925 lacs) payable against ICD taken and Rs. 12.24 lacs (Previous year Rs 20.80 lacs) payable against the interest on the same.
*FM PTSB payables include Rs. 4180 lacs (Previous year Rs 4880 lacs) payable against ICD taken and Rs.33.55 lacs (Previous year Rs 39.38 lacs) payable against the interest on the same.

Key Managerial Personnel

Rs. in lacs

Particulars	Transaction during the year		Balance outstanding as at the end of the year (payable)	
	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013
	Sachin Selot	122.01	10.94	-
Sunit Kapur	-	159.34	-	-
Andreas Wilhelm Kolf	576.95	34.34	-	-
Dan Brugger	-	189.88	-	-
Vikrant Sinha	-	7.60	-	-
Khalid Iqbal Khan	68.69	-	-	-
Anand Kumar Sahoo	13.29	-	-	-
S. Raghavendra	27.08	18.46	-	-
Total	808.02	420.56	-	-

Note: Above remuneration details are related for 15 months from Jan 2014 till March 2015.

Related Party Transaction Jan'14-March'2015

Particulars	Common Control with holding Co.				Fellow Subsidiary				Total
	Federal Mogul UK Investment Limited		Teikoku Piston Rings		Federal Mogul Sistemmas		Federal Mogul Burschied		
	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 March 2015	for the period 1st January 2013 to 31 December 2013	for the period 1st January 2014 to 31 December 2013
Purchase of raw material, intermediaries and finished goods	-	-	100.22	121.89	-	-	-	-	121.89
Dividend Paid / Proposed	171.50	171.50	171.50	171.50	-	-	-	-	343.00
Remuneration	-	-	-	-	-	-	-	-	-
Reimbursement of Expenses paid	-	-	-	-	4.58	4.58	-	-	4.58
Royalty Expense	-	-	221.27	153.62	-	-	-	-	221.27
Balance outstanding as at the end of the Year (Payable)	-	-	(42.93)	(86.85)	-	(4.58)	(12.14)	-	(91.42)

7. Operating lease

a) Assets taken under operating lease agreement

Period	Rs. in Lacs	
	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
1. Lease payments for the year	501.87	371.69
2. Minimum lease payments		
a. Not later than one year	262.31	346.85
b. Later than one year and not later than five years	320.79	182.87
c. Later than five years	-	-
(b) The lease payments recognised in the statement of profit and loss for the year is Rs. 504.75 lacs (for the year 1 January 2013 to 31 December 2013 Rs. 374.03 lacs).		

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

Particulars	Currency	As At March	As At March	As At March	As at December	As at December	As at December
		31, 2015	31, 2015	31, 2015	31, 2013	31, 2013	31, 2013
		Amount	Amount (Foreign	Rates, 1 Unit of	Amount	Amount (Foreign	Rates, 1 Unit of
		Rs. (in lacs)	currency in lacs)	Foreign Currency)	Rs.(in lacs)	currency in lacs)	Foreign currency
				equivalent INR)			equivalent INR)
Creditors	CHF	2.64	0.04	66.13	4.02	0.06	71.15
Creditors	EUR	2,101.46	30.38	69.17	1,943.05	22.32	87.08
Creditors	GBP	197.48	2.09	94.59	340.76	3.27	104.06
Creditors	JPY	141.04	264.82	0.53	162.16	269.33	0.60
Creditors	SEK	13.42	1.79	7.51	29.85	3.01	9.92
Creditors	USD	1029.56	16.10	63.93	841.82	13.34	63.09
Debtors	JPY	33.99	66.60	0.53	-	-	-
Debtors	EUR	1,083.87	16.39	66.13	529.93	6.34	83.58
Debtors	RMB	-	-	-	0.10	0.73	0.14
Debtors	USD	2,405.04	39.29	61.21	1,884.81	31.08	60.65
Debtors	RMB	-	-	-	3.04	0.04	68.21
Advance to suppliers	EUR	1,003.55	14.51	69.17	912.75	10.92	83.58
Advance to suppliers	GBP	86.34	0.91	94.59	293.87	2.94	99.87
Advance to suppliers	JPY	10.88	20.44	0.53	183.22	313.45	0.58
Advance to suppliers	SEK	19.44	2.59	7.51	27.70	2.96	9.35
Advance to suppliers	USD	116.87	1.83	63.93	284.51	4.69	60.65

9. Disclosures in accordance with revised AS-15 on "Employee benefits"

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of services, gets a gratuity on departure at 15 days basic salary (last drawn) for each completed year of service and who has completed ten years or more of services, gets a gratuity on a departure at 30 days basic salary (last drawn) for each completed year of service, on terms not less favourable than the provisions of the payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet for the plan.

	Rs. in Lacs	
	For the period 1st January 2014 to 31 March 2015	For the period 1st January 2013 to 31 December 2013
Statement of Profit and Loss		
Net employee benefit expense (recognized in Employee cost)		
Current service cost	446.62	351.07
Interest cost on benefit obligation	775.85	573.00
Expected return on planned assets	(330.05)	(300.11)
Net actuarial (gain) / loss	(294.10)	(29.91)
Net benefit expense	598.32	594.05
Balance Sheet		
Details of provision for gratuity		
Defined benefit obligation	8,383.34	7,796.95
Less: Fair value of plan assets	(4,347.50)	(3,454.04)
Plan liability	4,035.84	4,342.91

Rs. in Lacs

**For the period
1st January 2014
to 31 March 2015**
**For the period
1st January 2013
to 31 December 2013**
Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	7,796.95	7,718.21
Interest cost	775.86	573.00
Current service cost	446.62	351.07
Benefits paid directly by the company	(155.40)	(33.69)
Benefits paid from the fund	(996.11)	(809.88)
Actuarial (gains) / losses on obligation	515.42	(1.75)
Closing defined benefit obligation	8,383.34	7,796.96

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

Opening fair value of plan assets	3,454.03	3,758.66
Expected return	330.05	300.11
Contributions by employer	750.00	177.00
Benefits paid	(996.11)	(809.88)
Actuarial gains / (losses)	809.53	28.15

Closing fair value of plan assets
4,347.50

3,454.04

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

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:-[AS15 Revised Para 120 (h)]

	%	%
Investments with insurer	100	100

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

Discount rate	7.75% p.a.	8.0% p.a.
Normal retirement age	58 years	58 years
Employee turnover	5.0% p.a.	5.0% p.a.

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

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

Rs. in Lacs

Particulars	as at 31 March 15	as at 31 December 13	as at 31 December 12	as at 31 December 11	as at 31 December 10
	Defined benefit obligation	8,383.35	7,796.95	6,545.91	6,192.34
Cumulative unrecognised actuarial gains	-	-	-	239.91	-
Plan assets	4,347.51	3,454.03	3,812.62	3,882.44	3,471.23
Deficit	4,035.84	4,342.92	2,733.29	2,549.81	2,064.53
Experience adjustments on plan liabilities	520.71	375.67	511.34	205.76	280.10
Experience adjustments on plan assets	29.56	348.35	180.08	489.37	(210.74)

**For the period
1st January 2014
to 31 March 2015**
**For the period
1st January 2013
to 31 December 2013**
10. Provident fund and other funds

Contribution to provident and other funds	1,737.67	1,308.95
Contribution to superannuation funds	188.22	140.65
	1,925.89	1,449.60

11. Details of dues to medium and small enterprises as defined under the MSMED Act, 2006

The Micro, small and medium enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosures in respect to micro and small Enterprises as per MSMED Act, 2006 is as follows:

Particulars	As at 31 March 2015	As at 31 December 2013
The principal amount remaining unpaid as at the end of year	216.22	140.26
Interest due on above principal and remaining unpaid as at the end of the year	0.77	1.31
The amount of interest paid by the buyer in terms of section 16, of the micro, small and medium enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under micro, small and medium enterprise development Act, 2006.	25.81	18.69
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	25.48	22.51
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	6.22	5.30

12. Expenses capitalised

The Group has capitalized various expenses incurred in the course of construction of self generated assets, the details of expenses capitalized from operating expenses for the purpose of construction of self generated assets are as follows:

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

13. Provision for regulatory matters

During the year ended 31 December 2010, the Group had commenced an evaluation process for various regulatory matters at its factories. Based on more accurate information discovered, a provision, towards costs to be incurred to remediate these matters, of Rs. 355.05 lacs is included under Schedule no. 8 for provisions which are net of amounts utilized of Rs. 810.00 lacs during the year towards remediation.

In addition to the above, the provision for regulatory matters includes a provision of Rs. 922.24 lacs towards certain other regulatory matters.

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

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

14. Management support charges

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

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

16. In the opinion of the board of directors, current assets, loans and advances have a value on realization in its ordinary course of the business at least equal to the amounts at which they are stated and provision for all known liabilities have been made.

17. Excess provision written back includes income on account of reversal of provision for diminution in value of investment in GI Power of Rs 876.44 lacs. The provision has been reversed during the period because the Company has sold the investment.

18. During the period the Group has entered into Power Purchase Agreement with Real Captive Power Private Limited (RCP) and paid Rs 850 lacs as security deposit is recoverable in 5 equal instalments beginning from 7th to 11th year. RCP is a newly incorporated enterprise and, as such, recoverability of the security deposit will solely be dependent on the financial position of RCP at the time of repayment. The management believes that purchase of power from RCP would result into savings. On conservative basis, the Company has created a provision for security deposit of Rs 850 lacs.

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

As per our attached report of even date

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

per Neeraj Sharma

Partner
M. No. 502103

Place: Gurgaon
Date: May 22, 2015

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

Andreas Wilhelm Kolf

Whole Time Managing Director
DIN : 00519780

Dr. Khalid Iqbal Khan

Company Secretary

Sachin Selot

Whole Time Finance Director & CFO
DIN : 06700360