

FEDERAL-MOGUL GOETZE (INDIA) LIMITED



61ST Annual Report - 2015-16

Contents



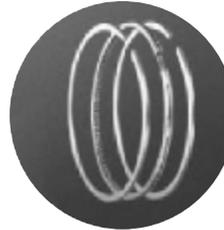
Board of Directors	02
Ten Years' Financial Review	03
Corporate Social Responsibility Activities	04
Directors' Report	08
Corporate Governance Report	14
Auditors' Report	55
Balance Sheet	61
Profit & Loss Account	62
Cash Flow Statement	63
Schedules 1 to 49 forming part of Balance Sheet and Profit and Loss Account	64
Financial Statements of Subsidiary : Federal - Mogul TPR (India) Limited	95
Consolidated Financial Statements	138

BOARD OF DIRECTORS

Chairman & Director
Mr. K. N. Subramanian

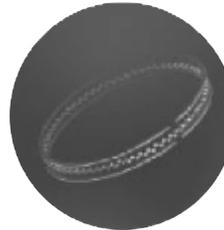


Whole Time Managing Director
Mr. Vinod Kumar Hans



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

Chief Finance Officer & Finance Director
Mr. Manish Chadha



Directors
Mr. Sunit Kapur
Mr. Rajesh Sihna
Ms. Janice Ruskey Maiden
Mr. Mahendra Kumar Goyal
Mr. Mukul Gupta

Auditors
M/s. Walker, Chandiok & Co. LLP



**REGISTRAR AND SHARE
TRANSFER AGENTS**

Alankit Assignments Limited
Corporate Office, 'Alankit Heights'
1E/13, Jhandewalan Extn.
New Delhi 110 055
Ph. No. 011-23541234, 42541956
Fax No. 011-42541201
Email: rta@alankit.com

REGISTERED OFFICE

G-4, J.R Complex, Gate No.-4,
Mandoli Delhi - 110093.
Phone : +91-11-71745745

WORKS

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

KEY BANKERS

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



TEN YEAR'S FINANCIAL REVIEW

(Rs. in lacs)

	March 2016	March 2015 (15 months)	Dec. 2013	Dec. 2012	Dec. 2011	Dec. 2010	Dec. 2009	Dec. 2008	Dec. 2007	Dec. 2006 (9 months)
Total Income (gross)	149,841.23	170,452.08	126,832.80	131,370.48	126,312.25	102,405.62	84,041.87	79,762.07	72,028.57	46,809.82
Depreciation	7,517.68	8,937.31	6,613.55	6,193.52	5,365.89	4,822.46	4,949.23	4,634.14	4,292.16	2,819.65
Profit before Tax	7,180.15	4,745.73	3,035.85	(1,383.93)	4,864.01	4,569.31	5,067.48	(517.00)	(1,782.69)	(561.05)
Taxation (adjmt for excess provision for prev.yr. written back if any)	2,779.51	1,610.19	977.29	251.82	1,117.84	1,130.39	457.87	172.23	79.74	70.30
Profit after Tax	4,400.64	3,135.54	2,058.56	(1,635.74)	3,746.17	3,438.92	4,609.61	(689.23)	(1,862.43)	(631.35)
Dividend	-	-	-	-	-	-	-	-	-	-
Dividend Tax	-	-	-	-	-	-	-	-	-	-
Retained Profit/(Loss)	4,400.64	3,135.54	2,058.56	(1,635.74)	3,746.17	3,438.92	4,609.61	(689.23)	(1,862.43)	(631.35)

Assets, Liabilities & Net Worth

	March 2016	March 2015	Dec. 2013	Dec. 2012	Dec. 2011	Dec. 2010	Dec. 2009	Dec. 2008	Dec. 2007	Dec. 2006
Fixed Assets	55,247.43	52,409.45	50,710.79	49,557.25	46,346.75	39,043.60	38,348.16	40,062.06	38,038.79	35,436.36
Investments	510.00	510.00	510.00	510.00	2,092.34	2,092.34	2,092.34	2,092.34	2,093.90	2,135.18
Indebtedness	19,132.59	21,975.54	20,244.13	19,021.30	15,384.40	8,648.74	10,113.80	16,213.62	29,236.92	36,444.05
Share Capital	5,563.21	5,563.21	5,563.21	5,563.21	5,563.21	5,563.21	5,563.21	5,563.21	3,262.09	2,528.75
Reserves	43,477.39	39,514.26	36,378.72	34,320.16	35,955.90	32,209.74	28,770.82	24,150.79	14,362.21	6,497.10
Net Worth	49,040.60	45,077.47	41,941.93	39,883.37	41,519.11	37,772.95	34,334.03	29,714.00	17,624.30	9,025.85

Significant Ratios

	March 2016	March 2015	Dec. 2013	Dec. 2012	Dec. 2011	Dec. 2010	Dec. 2009	Dec. 2008	Dec. 2007	Dec. 2006
A. Measurement of Investment										
Percentage of Return on Investment (annualised)	10.62	7.34	5.01	(2.40)	9.41	10.06	11.21	(1.11)	(3.86)	(1.59)
Percentage of Return on Equity(annualised)	15.26	10.91	7.42	(3.40)	12.27	12.67	15.82	(2.18)	(13.38)	(8.01)
Dividend Cover (Ratio)	-	-	-	-	-	-	-	-	-	-
B. Measurement of Performance										
Percentage of Profit before Tax to sales	4.91	2.85	2.44	(1.06)	4.05	4.72	6.32	(0.68)	(2.61)	(1.25)
Percentage of Profit after Tax to sales	3.01	1.88	1.65	(1.26)	3.12	3.55	5.75	(0.91)	(2.72)	(1.40)
C. Measurement of Financial Status										
Percentage of term Loans to Tangible Net Worth	0.23	0.20	0.18	0.10	1.93	3.18	7.28	13.00	55.52	219.20
Current Ratio	1.08	0.93	0.90	0.83	1.04	1.12	0.99	0.73	0.83	0.88
D. General										
Dividend per Equity Share (Rs.)	-	-	-	-	-	-	-	-	-	-
Earnings per Equity Share (Rs.) (annualised)	7.91	5.64	3.70	(2.94)	6.73	6.18	8.29	(2.05)	(7.22)	(3.33)
Book Value per Equity Share (Rs.)	88.15	81.03	75.39	71.69	74.63	67.90	61.72	88.36	68.34	35.69

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Federal-Mogul Goetze India Ltd. (FMGIL) has planned set of CSR activities taking into consideration the Company's capabilities, expectations of the communities living in and around the areas of its operation. The aim is to play a catalytic role in the sustainable socio-economic development, attempting to create an enabling working environment as well as income generation opportunities for the community, thereby targeting to have a significant positive impact in the long term.

The CSR projects in FMGIL are implemented under the guidance of the CSR Committee on CSR which presently comprises four directors out of which two are Independent directors.

Mr. Vinod Kumar Hans	Chairman
Dr. Khalid Iqbal Khan	Member
Mr. Mukul Gupta	Member
Mr. K.N. Subramaniam	Member

Our social investment programmes focus on five areas where we believe we can add the most value and make a significant and lasting impact.



PROMOTION OF EDUCATION

1. FMGIL has been associated with an NGO **"Ghar Angna (Ek Pyara Sapna)"** for giving free education, books and uniform to under-privileged children, improved infrastructure of the school, which was being run on a pavement outside temple and by giving them proper place and providing all necessary equipments required to run a school
2. Shortlisted Govt. Girls School in village Milakpur Gurjar, Bhiwadi – aiding them with books and stationary besides improving housekeeping / sanitation.
3. Provided School Uniform for Deaf & Blind Students of Patiala Deaf & Blind School.



Preventive Health Care

1. Health Camp organized for the children and their parents in the school premises of “Ghar Angna” in collaboration with Paras Hospital, Gurgaon
2. Worked with Govt. Hospital, Bhiwadi – providing them with potable drinking water, racks, coolers and better sanitation.
3. Cold drinking water project for School : There are around 1000 students at Govt. Sr. Secondary school of Boys, Village Sanour, Patiala and we have installed heavy duty water cooler and RO system and tank.



EMPLOYMENT ENHANCING VOCATIONAL SKILLS

1. It has been our dream project to collaborate with ITI's to create a pool of talented manpower, thereby keeping pace with the technological demands of the industry and expanding universe of knowledge to produce world class workforce.
Through this programme, we aim to support the Government's vision to Make India global manufacturing hub by addressing the needs and demand of the industry with practical know-how and relevant industry experience.
We are confident that the skills, students gain through this programme will equip them to find or create job opportunities. We hope many youth will take up this opportunity to gain technical skills alongwith industry exposure.
2. We sponsored 18 children from Economically weaker section for vocational course at SNS Foundation. We are training girls / boys on stitching & tailoring, fashion design, Beauty care and Computers.
3. The Company has joined hands with SNS Foundation and have designed a certification course on our products. We have set up our own lab and are giving technical training on our engine products to youth, who have aspiration to learn.



WOMEN EMPOWERMENT AND RURAL DEVELOPMENT

(Projects run by subsidiary co. of FMGIL)

1. We have signed an MOU with NGO – Vidya to promote women drivers and motivate them to take employability into an unconventional field, less travelled and challenging. It is desired to integrate English, Basic Computers, Life Skills, Soft Skills, Yoga, Martial Arts and regular health check-ups along with the driving classes to give an edge over the other drivers and make them suitable and fit for the challenging jobs as a certified cab driver

The CSR Committee of American Chamber of Commerce, under their **Best Practice Visit Series** on – Women Empowerment, showcased our Women Driving Programme to their CSR Committee on **October 16, 2015**.

2. On 9th Feb, 16 we inaugurated Vidya Usha Silai program at Munirka with 25 women. The program is to empower the women through a professional 6 month Training in stitching by USHA , with a certificate by the same at the end which will enable them to get jobs or to start a self help group for supplying uniforms/bags or any saleable items in the market. We will also impart basic literacy and life skills to them- in accordance with Vidya's aim and mission for their holistic growth. Hoping to make a positive difference in the lives of the women through this special training which will change their perspective and give them direction towards a stable life

Federal-Mogul Bangalore, under the CSR initiative has supported the Government Primary School, Kurubarahalli, Doddaballapur by constructing fully equipped rest rooms for boys and girls.



DIRECTORS' REPORT

Your Directors are pleased to present the 61st Annual Report and Audited Financial Statement of Accounts for the financial year ending 31st March, 2016.

FINANCIAL RESULTS

[Rs. in lacs]

Particulars	1st April 2015 to 31st March 2016	15 months period from 1st January 2014 to 31st March 2015
Gross Sales	146,298.06	166,709.55
Less: Excise duty	(13,525.04)	(13,056.65)
Income from operations	132,773.02	153,652.90
Other income	3,543.17	3,742.53
Total Income	136,316.19	157,395.43
Operating profit before finance charges, depreciation and exceptional item	17,539.58	17,379.89
Finance Charges	2,841.75	3,696.85
Depreciation	7,517.68	8,937.31
Exceptional items	-	-
Net Profit before tax	7,180.15	4,745.73
Provision for the Taxation :		
Current Tax	1,876.79	2,500.00
Tax earlier year	198.49	200.00
Less: Deferred Tax	704.23	(1,089.81)
Profit after tax	4,400.64	3,135.54
Profit brought forward from last year	11,705.85	8,570.31
Depreciation charged on transition to Schedule II of the Companies Act, 2013 (Net of deferred tax of Rs.225.29 lacs).	(437.51)	-
Surplus / (loss) carried forward to Balance sheet	15,668.98	11,705.85

OPERATIONS

As reported in the last Annual Report, the last financial year comprised a period of 15 months commencing from 1st January 2014 to 31st March 2015 to fall in line with the requirements of the Companies Act, 2013.

The Net income of the Company during the financial year ended 31st March 2016 was Rs. 136,316.19 lacs as against Rs. 157,395.43 lacs for the period from 1st Jan 2014 to 31st March 2015.

During the year under review, the Company made a net profit after tax of Rs. 4,400.64 lacs as against the net profit after tax of Rs. 3,135.54 lacs for the period from 1st Jan 2014 to 31st March 2015.

No amount is proposed to be transferred to general reserves. An amount of Rs. 3963.13 lacs (net of schedule II impact of revision of useful lives various assets of Rs 437.51 lacs)

is proposed to be retained in the Statement of Profit and Loss.

In view of requirement of funds for the operations of the Company, no dividend is recommended for the financial year ended 31st March, 2016.

As reported in the last year's Annual Report, the Company had created a provision of Rs. 850 lacs against the refundable security deposit placed with Real Captive Power Pvt. Ltd. ("RCP"). In the month of January 2016, due to delay in the start of power supply, RCP refunded the said security deposit of Rs. 850 lacs. Further, the Company disposed off the 26% equity holding in RCP on 30th March 2016.

NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

The details of the number of Board and Audit Committee meetings held and attended by

directors/members and composition of audit committee of the Company are set out in the Corporate Governance Report which forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March

2016 and of the profit and loss of the Company for the financial year ended 31st March 2016;

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

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

(e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

DECLARATION OF INDEPENDENT DIRECTORS

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

NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, adopted a policy for selection and appointment (including the criteria for determining qualifications, positive attributes, independence of directors) and remuneration of Directors including Independent Directors, Key Managerial Personnel, Senior Management Personnel and other employees. The Nomination & Remuneration Policy is attached as **Annexure - 1**.

EXPLANATIONS OR COMMENTS ON AUDITORS' QUALIFICATION/ RESERVATION/ ADVERSE REMARKS/ DISCLAIMER

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

LOANS AND INVESTMENTS

For the details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with rules made thereunder, please refer Note No. 14, 15 & 19 of full Annual Report forming part of the financial statements.

RELATED PARTY TRANSACTIONS

During the financial year 2015-16, the Company has entered into the related party transactions in terms of the Companies Act, 2013 read with rules made thereunder and regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which were in the ordinary course of business and on arms' length basis.

During the financial year 2015-16, there were no transactions with related parties which qualified as material transactions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Form AOC- 2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with rules made thereunder is set out as **Annexure-2** to this Report.

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

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

RISK MANAGEMENT POLICY

The Company operates in an environment which is affected by various risks, some of which are controllable while some are outside the control of the Company. Therefore, pursuant to the requirements of the Companies Act, 2013, the Company has developed and implemented the Risk Management Policy covering the process of identifying, assessing, mitigating, reporting and review of critical risks impacting the achievement of Company's objectives or threaten its existence.

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

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors at its meeting held on 9th May, 2014 approved the Corporate Social Responsibility (CSR) Policy for the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder, on the recommendations of the CSR Committee.

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

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

The Corporate Social Responsibility Committee is required 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. 57.36 lacs on the CSR activities approved by CSR Committee and the Board of Directors.

The activities and initiatives undertaken by the Company during the financial year 2015-16 in CSR activities have been detailed in the Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy on Corporate Social Responsibility and Annual Report on CSR activities are attached herewith as **Annexure- 4 & 5** to this Report.

In accordance with the provisions of section 135 of the Companies Act 2013, the Board has approved an amount of Rs. 106.62 lacs for spending on CSR activities during the financial year 2016-17.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Presently, the Board consists of nine (9) directors comprising of Mr. K.N. Subramaniam, Chairman and Non-executive Independent Director; Mr. Vinod Kumar Hans, Whole-time Managing Director; Dr. Khalid Iqbal Khan, Whole Time Director-Legal & Company Secretary; Mr. Manish Chadha, CFO & Finance Director, Mr. Rajesh Sinha, Whole-time

Director, Mr. Mukul Gupta, Non-executive Independent Director; Mr. Sunit Kapur, Non-Executive Director; Mr. Mahendra Kumar Goyal, Non-executive Independent Director; and Ms. Janice Ruskey Maiden, Non-Executive Director.

In the Board meeting held on May 22, 2015, the Board accepted the resignation of Mr. Sachin Selot as Whole-time Director and CFO of the Company w.e.f. close of business hours on May 26, 2015 and appointed Dr. Khalid Iqbal Khan as Whole-time Director-Legal & Company Secretary and Mr. Manish Chadha was appointed as Chief Financial Officer of the Company w.e.f. 1st June 2015.

In the Board Meeting held on 8th December, 2015, the Board accepted resignation of Mr. Andreas Wilhelm Kolf as Whole-time Managing Director w.e.f. the close of business hours on 31st December, 2015 and appointed Mr. Vinod Kumar Hans as Whole-time Managing Director and Mr. Rajesh Sinha as Whole-time Director w.e.f. 1st January 2016.

Further, in the Board Meeting held on 4th February, 2016, the Board accepted the resignation of Mr. Bernhard Georg Motel as Director w.e.f. 5th February 2016 and appointed Mr. Manish Chadha as CFO & Finance Director w.e.f. 5th February 2016.

In accordance with Article 109 of the Articles of Association of the Company, Mr. Sunit Kapur is retiring by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The Board places on record the valuable contribution made by Mr. Sachin Selot, Mr. Andreas Wilhelm Kolf and Mr. Bernhard Georg Motel during their respective tenures as Directors of the Company.

SUBSIDIARY AND ASSOCIATE COMPANY

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts of Companies) Rules, 2014, a statement containing salient features of financial statements of subsidiary i.e. Federal-Mogul TPR (India) Limited forms part of the consolidated financial statements. The statement containing the salient features of subsidiary is attached as **Annexure-6**. The financial statements of the subsidiary company and related information are available for inspection at the Registered

Office of the subsidiary company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the consolidated financial statements, financial statements of subsidiary and all other documents required to be attached to this report have been uploaded on the website of your Company (www.federalmogulgoetzeindia.net).

During the year, the Company had acquired 26% stake in Real Captive Power Private Limited (RCP), on 6th April 2015. The said investment was disposed off to Suraksha Build well LLP on 30th March 2016 at cost.

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

PUBLIC DEPOSITS

As at 31st March, 2016, your company had no unclaimed fixed deposits. No fresh/renewed deposits were invited or accepted during the financial year.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

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

FORMAL ANNUAL EVALUATION BY BOARD

In terms of provisions of the Companies Act, 2013 read with Rules made thereunder and regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2016. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Meetings, Knowledge and skills, understanding of their roles and responsibilities, business of the Company

along with the ethics and integrity. The evaluation of the Board and Committees was based on the aspects like structure of the Board or Committee, processes being followed to achieve the objectives, effectiveness, fulfillment of roles and responsibilities, efficiency and direction etc.

DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has an Audit committee headed by a non-executive independent director, inter-alia, to oversee the Company's financial reporting process, disclosure of financial information, performance of statutory and internal auditors, functions, internal control systems, related party transactions, investigation relating to suspected fraud or failure of internal audit control, to name a few, as well as other areas requiring mandatory review as per regulation 18(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The powers of the Audit Committee, inter-alia, include seeking information from any employee, directing the Company's internal Audit function, obtaining outside legal or other professional advice and investigating any activity of the Company within the Committee's terms of reference.

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

MANAGEMENT DISCUSSION AND ANALYSIS:

(a) Industry Structures and Developments

Automotive Industry, globally, as well as in India, is one of the key sectors of the economy. Due to its deep forward and backward linkages with several key segments of the economy, automotive industry has a strong multiplier effect and acts as one of the drivers of economic growth.

The auto industry is highly competitive, consisting of organized as well as unorganized sectors and is highly fragmented with a significant number of small and medium-sized companies

because of which the business rules are changing to meet the tough competition prevailing in the industry. Innovation, technological upgradation and cost saving hold the key to success to meet the expectations of the exigent competitive circumstances. The Indian auto component industry has been navigating through a period of challenges.

During the financial year 2015-16, the combination of factors like reduced fuel prices, low inflation levels and low interest rates coupled with the new launches of passenger vehicles pushed the automobile industry on the path of growth. The auto component industry witnessed a moderate growth during the year under review.

(b) Opportunities and Threats

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

In order to fight the increasing pollution, the government has announced the implementation of Bharat Standard BS-VI by April 1, 2020. BS-VI is an equivalent of Euro-VI norms being followed globally. Your Company perceives this as a huge opportunity and has already started development work with some OEMs in India, on new engine projects. Federal-Mogul is currently producing many of the Euro-VI engine parts in Europe and for comparable engine standards in North America. In India, your Company expects to be prepared to supply the products meeting, BS-VI before the deadline fixed by the government.

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, i.e 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.

The Company has been employing the practices to proactively map the impact of its activities on its performance and profitability from economic environment and social perspectives.

(C) Segment wise or product wise performance

We operate mainly in two segments i.e. OEM's and the Aftermarket. The Company has a balanced approach to the OEM's and Aftermarket.

The Company witnessed positive growth in OEM segment during the financial year ended 2016 as compared to financial year ended 2015 due to positive performance of the industry.

The Company is into the manufacturing of Pistons, Piston rings and Pins. The product wise performance chart is given under Note 21 of full Annual Report (Revenue from Operations). The Members may refer the same.

(d) Outlook

The Management expects a moderate growth in the automotive industry during the year 2016-17 due to softened raw material prices and new vehicle launches. Further, the Indian Meteorological Department has forecasted an above normal monsoon, which is a critical factor for the overall economic growth, including the automobile sector. Implementation of 7th pay commission by the Government and low interest rates are expected to give boost to the automobile sector. However, the depreciated rupee value and increased cost of technology and components would impact the growth of automobile sector. Therefore, it's going to be a mixed year for the auto component industry ahead.

The Company will endeavor to revitalize in near future as consumers regain confidence and vehicle demand increases. To remain competitive in the challenging and

demanding environment, the benchmark has to be high in anticipation of the stated and unstated need of the customers and markets.

(e) Risks and concern

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

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

Foreign Currency Risks: Exchange rate fluctuations may have an adverse impact on the Company

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

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 OE and After market segments, 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

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 provisions of SEBI (Listing Obligations and Disclosure Requirements) 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, complies with the legal obligations and Company's policies and procedures.

g) Discussion on financial performance with respect to operational performance

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

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

During the year under review, the training and development of employees remained top priority of the Management and in this direction, several assessment and development programmes were conducted for high potentials and young talents. Further, Operational Excellence programme was launched for potential Plant Managers and Talent Review meetings were conducted for identifying potential successors for critical leadership positions. In a move to save cost of recruitment, Internal Job Posting was introduced and number of positions were filled through Internal hirings, including few top leadership positions.

During the year under review, the employer employee relations remained cordial and two long term Settlements were signed with the Union for the Bangalore & Patiala Plants respectively. Safety of the workers always remained one amongst the top priorities and few measures were taken in this direction by

adopting lead by example concept at workshop followed by various other initiatives like risk assessment etc.

The total number of salaried and hourly employees as at March 31, 2016 stood at 4066.

CONSOLIDATED ACCOUNTS

The consolidated financial statements of the Company for the financial year 2015-16, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its subsidiary company, as approved by their respective Board of Directors.

ABRIDGED FINANCIAL STATEMENTS

In terms of the provisions of regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 136 of the Companies Act, 2013, the Board of directors has decided to circulate the abridged annual report containing the salient features of the balance sheet and statement of profit and loss account to the shareholders for the financial year ending on March 31, 2016. Full version of the annual report will be available on Company's website www.federalmogulgoetzeindia.net and will also be made available to investors upon request.

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

AUDITORS' AND AUDITORS' REPORT

At the 60th AGM of the Company, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), New Delhi were appointed as the Statutory Auditors' to hold office till the conclusion of the 62nd AGM of

the Company subject to the ratification by members at every AGM. Accordingly, the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants, as the Company's Statutory Auditors, is placed for ratification by the members. The Company has received a certificate from the Auditors to the effect that ratification of their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory.

COST AUDITORS

The Board, on the recommendation of the Audit Committee has approved the appointment of M/s. Sanjay Gupta & Associates, Cost Accountants, as Cost Auditor, for the financial year ending March 31, 2017. The Cost Auditors will submit their report for the financial year ended 2015-16 on or before the due date.

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

SECRETARIAL AUDITORS

The Company had appointed M/s. Deepika Gera, Company Secretaries, New Delhi, to conduct the Secretarial Audit for the financial year ended March 31, 2016. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed as **Annexure-7** to this report. The Board has reappointed M/s. Deepika Gera, Company Secretaries, New Delhi, as Secretarial Auditor of the Company for FY 2016-17.

CORPORATE GOVERNANCE REPORT

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

A detailed corporate governance report in

line with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the corporate governance practices followed by the Company and a certificate of compliance from Mr. Surinder Vashishtha, Proprietor of Surinder Vashishtha & Associates, Company Secretary, form part of this Directors' Report.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in form MGT-9 as per section 134(3)(a) of the Companies Act, 2013 read with rule 12 of the Companies (Management & Administration) Rules, 2014 is attached as Annexure-8, to this report.

BUSINESS RESPONSIBILITY REPORT

A Business Responsibility Report as per regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailing the various initiatives of the Company is attached as Annexure - 9.

COMMITTEES OF DIRECTORS

The Company has following committees of Directors:

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

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

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

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

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower

Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an anti sexual harassment Policy 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 2015-16.

No. of complaints received : Nil

No. of complaints disposed off : Nil

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in Annexure – 10 & 11 to this Report.

HUMAN RESOURCES

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

employees, as at March 31, 2016, stood at 4066.

SAFETY, HEALTH AND ENVIRONMENT PROTECTION

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

ACKNOWLEDGMENT

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

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

Vinod Kumar Hans
Whole-time Managing Director
DIN: 03328309

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

Place: Gurgaon
Date : 13th May 2016

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 endeavors to create an environment of fairness, equity and transparency in transactions with the underlying objective of securing long term shareholder value, while, at the same time, respecting the rights of all the stakeholders.

2. BOARD OF DIRECTORS

a) Composition: The Board of Directors of the Company has an optimum combination of Executive, Non-executive and Independent Directors having rich knowledge and experience in the industry and related sectors for providing strategic guidance and direction to the Company. Presently, the Company has 09 Directors on its Board, out of which 05 are Non Executive Directors including 01 woman director and 04 are executive directors. Moreover, 03 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.

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

b) Details of Board Meetings held during the year 1st April, 2015 to 31st March, 2016:

Date of Meeting	Board Strength	No. of Directors Present in Person
02 nd April 2015	08	05
22 nd May 2015	09	06
07 th August 2015	08	05
28 th October 2015	08	06
08 th December 2015	08	04
04 th February 2016	09	08

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

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

Mr. Sunit Kapur, Director is liable to retire by rotation in the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. Item regarding his re-appointment has been included in the notice of the ensuing Annual General Meeting.

Mr. Sunit Kapur, aged about 41 years is a Mechanical Engineer from the Punjab University and has also completed General Management Programme at CEDEP (INSEAD). Mr. Kapur has been associated with the Company since 1994. He has around 22 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 22 years with the Company. His professional skills and abilities were accumulated through intensive On the Job and Off the Job training from eminent Global Management and Technical Experts. Mr. Sunit Kapur served as Managing Director of the Company during 2012-13. Presently, he is Vice President and General Manager - Global Ignition in Federal- Mogul Corporation.

Mr. Vinod Kumar Hans, aged about 50 years, has done graduation in Mechanical Engineering from REC Allahabad and Post graduation in Business Management from Birla Institute of Management Technology, New Delhi. He has also undertaken one year Leadership and Executive Management Development program with university of Crane field UK and CEDEP, University of INSEAD, France, respectively. He has about 29 years of rich experience at senior level positions in the sales field.

Mr. Hans has been associated with the Company since July 2008 as Director-Sales. Prior to joining the Company, he was head of Customer Relation Management in GKN Drive line India Limited.

Mr. Rajesh Sinha, aged about 46 years, has done Bachelor of Engineering in Mechanical from Bhilai Institute of Technology, Bhilai and Master of Business Administration in Operations from IMT, Ghaziabad. He has over 20 years of experience in Production, IR management, Quality Assurance, VA & VE, Technical Services, Project execution in automotive/automobile industries and has been associated with the Company since February 2007.

Prior to joining the Company, Mr. Sinha was Dy. General Manager-Corp. Quality and New Initiatives in Gabriel India Limited.

Mr. Manish Chadha, aged about 42 years, is a Member of the Institute of Chartered Accountants of India. He has over 16 years of experience in the areas of Controlling, Plant Finance Operations, statutory reporting and compliances, business analysis, strategic planning, accounts/MIS, financial planning and budgeting, cost control, internal control and system implementation fields. He has been associated with Federal-Mogul since 2003.

Prior to joining the Company, Mr. Chadha was working with Daweoo Motors India Limited as Manager-Finance.

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 1 st April, 2015 to 31 st March, 2016 Attendance at		As on 31 st March, 2016		
		Board Meeting (Total Meetings held-06)	Last AGM 11 th August 2015	Number of Directorships of other Indian Companies (Note-1)	Committee Memberships of other Indian Companies (Note-2)	
					Member	Chairman
Mr. K. N. Subramaniam	CNEID	06	Yes	02	02	00
Mr. Vinod Kumar Hans (Appointed w.e.f. 1 st January 2016)	WTMD	01	NA	06	03	03
Mr. Andreas Kolf (Ceased w.e.f. close of business hours of 31 st December 2015)	WTMD	05	Yes	00	00	00
Dr. Khalid Iqbal Khan (Appointed w.e.f. 22 nd May 2015)	WTDL & CS	05	Yes	05	04	01
Mr. Manish Chadha (Appointed w.e.f. 5 th February 2016)	CFO & FD	00	NA	02	00	00
Mr. Rajesh Sinha (Appointed w.e.f. 1 st January 2016)	WTD	01	NA	01	00	00
Mr. Sunit Kapur	NED	02	No	01	00	00
Mr. Sachin Selot (Ceased w.e.f. close of business hours of 26 th May 2015)	WTFD & CFO	02	NA	00	00	00
Ms. Janice Ruskey Maiden	NED	01	No	00	00	00
Mr. Bernhard Motel (ceased w.e.f. 5 th February 2016)	NED	00	No	00	00	00
Mr. Mukul Gupta	NEID	06	Yes	00	00	00
Mr. Mahendra Kumar Goyal	NEID	05	No	08	05	03

CNEID: Chairman and Non-Executive Independent Director

WTMD: Whole-time Managing Director

NED: Non Executive Director

WTFD : Whole-time Finance Director

Note-1: The above excludes Foreign Companies.

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

NEID: Non Executive Independent Director

CFO & FD: Chief Financial Officer & Finance Director

WTDL & CS : Whole-time Director-Legal & Company Secretary

3. AUDIT COMMITTEE

a) Terms of Reference

The current terms of reference of the Audit Committee fully conform to the requirements of regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013. These include review of internal audit programme, review of financial reporting systems, internal control systems, ensuring compliance with statutory and regulatory provisions, discussions on quarterly, half yearly and annual financial results, interaction with senior management, statutory and internal auditors, recommendation for re-appointment of statutory auditors etc.

b) Composition, name of members and Chairman

Presently, the Audit Committee comprises 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. Sunit Kapur, Member (Non- Executive Director).

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

c) Meetings and Attendance

Details of Audit Committee Meetings held during the financial year 1st April, 2015 to 31st March, 2016

Date of Meeting	Strength of Committee	No. of Members Present in person
22 nd May 2015	3	2
07 th August 2015	3	2
28 th October 2015	3	2
4 th February 2016	3	2

Audit Committee Members Attendance during the financial year 1st April 2015 to 31st March 2016

Name	Total meetings held	No. of meetings attended in person
Mr. Mukul Gupta (Chairman)	04	04
Mr. K. N. Subramaniam	04	04
Mr. Bernhard Georg Motel (resigned w.e.f. 5 th February 2016)	04	00
Mr. Sunit Kapur*	Nil	NA

* Inducted as member effective 5th February 2016.

4. NOMINATION AND REMUNERATION COMMITTEE

At present, the Nomination and Remuneration Committee of the Company comprises Mr. Mukul Gupta as the Chairman, Mr. K. N. Subramaniam and Mr. Sunit Kapur 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 regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 178 of the Companies Act, 2013. These broadly include:

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

b) Meetings and Attendance

Details of Nomination and Remuneration Committee Meetings held during the financial year 1st April, 2015 to 31st March, 2016

Date of Meeting	Strength of Committee	No. of Members Present in person	No. of Members Present through conference call
22 nd May, 2015	03	02	00
28 th October 2015	03	02	00
08 th December, 2015	03	02	00
04 th February, 2016	03	02	00

Name	Total Meetings held	No. of meetings Attended in person
Mr. Mukul Gupta (Chairman)	04	04
Mr. K. N. Subramaniam	04	04
Mr. Bernhard Motel (Ceased w.e.f. 5 th February, 2016)	04	00
Mr. Sunit Kapur*	Nil	NA

* Inducted as member of the committee w.e.f. 5th February, 2016.

Evaluation criteria for independent directors

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

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

The Board of Directors evaluated the performance of the Independent Directors, in its meeting held on May 13, 2016.

Details of Remuneration to Directors for the year ended 31st March, 2016

Name of Executive Directors	Particulars	Amount in lacs
Mr. Vinod Kumar Hans (From 1 st January, 2016 - 31 st March, 2016)	- Salaries and Allowances	19.20
	- Company's Contribution to PF & Superannuation	2.18
	- Perquisites	-
	- Management Incentive Plan	-
	Total	21.38

Name of Executive Directors		Amount in lacs
Mr. Rajesh Kumar Sinha (From 1 st January, 2016-31 st March, 2016)	- Salaries and Allowances	15.33
	- Company's Contribution to PF & Superannuation	4.41
	- Perquisites	-
	- Management Incentive Plan	-
	Total	19.74
Mr. Manish Chadha (From 5 th February, 2016 – 31 st March, 2016)	- Salaries and Allowances	8.39
	- Company's Contribution to PF & Superannuation	0.83
	- Perquisites	-
	- Management Incentive Plan	-
	Total	9.22
Dr. Khalid Iqbal Khan (From 22 nd May, 2015 – 31 st March, 2016)	- Salaries and Allowances	41.86
	- Company's Contribution to PF & Superannuation	1.82
	- Perquisites	-
	- Management Incentive Plan	-
	Total	43.68
Mr. Andreas Wilhelm Kolf (From 1 st April, 2015 – 31 st December, 2015)	- Salaries and Allowances	239.89
	- Company's Contribution to PF & Superannuation	25.40
	- Perquisites	-
	- Management Incentive Plan	21.21
	Total	286.50
Mr. Sachin Selot (From 1 st April, 2015 – 26 th May, 2015)	- Salaries and Allowances	12.44
	- Company's Contribution to PF & Superannuation	0.65
	- Perquisites	-
	- Management Incentive Plan	-
	Total	13.09
Mr. Mahendra Kumar Goyal	- Sitting Fee	1.00
Mr. Krishnamurthy Naga Subramaniam	- Sitting Fee	11.30
Mr. Mukul Gupta	- Sitting Fee	11.30

Notes:

1. Payment for the Management Incentive Plan for the financial year 2015-16 was made during 2016-17.
2. The Company did not pay remuneration to Non-executive Directors during the year. There are no other pecuniary relationships or transactions with the Company.
3. The Company does not have any stock option scheme.
4. The Non-executive directors do not have any pecuniary relationship or transactions among themselves.

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/ remit/ 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. K N Subramaniam	Chairman	Non-Executive Independent Director
Mr. Vinod Kumar Hans	Member	Whole-time Managing Director
Mr. Sunit Kapur	Member	Non- Executive Independent Director
Dr. Khalid Iqbal Khan	Member	Whole Time Director – Legal & Company Secretary
Mr. Mukul Gupta	Member	Non- Executive Independent Director

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

• Shareholders' Complaints :

Number of shareholders' complaints received	Number of shareholders' complaints not solved to the satisfaction of shareholders	Number of pending complaints
04	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 etc. 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 25th March, 2016, to interalia:

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

All the Independent Directors were present in the meeting.

7. ANNUAL GENERAL MEETINGS

Year	Location	Date & Time	Whether any special resolution passed
58 th AGM (2012)	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003	10 th May, 2013 3.00 P. M.	No
59 th AGM (2013)	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-11003	23 rd May, 2014 03:00 P. M.	<ul style="list-style-type: none"> - To consider and approve the appointment & terms of appointment of Mr. Sachin Selot as Whole-time Finance Director and CFO of the Company; - To consider and approve the appointment & terms of appointment of Mr. Andreas Kolf as Whole-time Managing Director of the Company
60 th Annual General Meeting	Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038	11 th August, 2015 11:00 A. M.	<ul style="list-style-type: none"> - Borrowing powers of the Board and creation of charge / mortgage on the moveable and/or immoveable properties of the company, both present and future in favour of lenders - To consider and approve the appointment & terms of appointment of Dr. Khalid Iqbal Khan as Whole-time Director-Legal & Company Secretary, of the Company

Postal Ballot: No resolution has been passed as special resolution through postal ballot during the financial year ended 31st March, 2016. 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 establishment of Vigil mechanism/ Whistle blower policy, and affirmation that no personnel have been denied access to the audit committee.
- Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements

- Details of Familiarisation programme for Independent Directors
- Policy on Related Party Transaction
- Policy for determining 'material' subsidiaries
- Disclosure on Commodity price risks and commodity hedging activities Not Applicable.

9. MEANS OF COMMUNICATION

Results

Whether presentations were made to Institutional Investors or to the analysts ?

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 2016.

As on date, no Non-Executive Director holds any share in the Company.

None.

The Company has established the Vigil mechanism/ Whistle blower policy. The policy is also available on the website (www.federalmogulgoetzeindia.net) of the Company. Further, no person was denied access to the audit committee

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

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

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

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

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

Not Applicable.

Quarterly/Half-Yearly/Yearly Financial Results of the Company were considered and approved by the Directors and the same were communicated to Stock Exchanges . During the year under review, these results were generally published in one English Daily i.e. Financial Express (all edition) and one Hindi Daily i.e Jansatta, Delhi. The news releases, if any, were forwarded to the stock exchanges in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

No.

10. GENERAL SHAREHOLDER INFORMATION

a. 60th Annual General Meeting

- Date and Time
- Venue

11th August, 2015 at 11.00 A. M.

Mapple Emerald, Crystal Hall, National Highway-8, Rajokri,
New Delhi-110038

1st April to 31st March

b. Financial Year

c. Financial Calendar (Tentative)

- Results for the quarter ending June 30, 2016
- Results for the quarter/half year ending September 30, 2016
- Results for the quarter/period ending December 31, 2016
- Results for the quarter/year ending March 31, 2017
- Annual General Meeting for the financial year ending March 31, 2016

Last week of July, 2016

Last week of October, 2016

Last week of January, 2017

Last week of May, 2017

26th August, 2016

d. Book Closure date

19th August, 2016 to 26th August, 2016 (both days inclusive)

e. Listing on Stock Exchanges

- **Bombay Stock Exchange Limited**

Phiroze JeeJee Bhoy Towers,
Dalal Street, Mumbai-400001

- **The National Stock Exchange of India Ltd.,**

Exchange Plaza, 5th Floor
Plot No. C/1, G Block,
Bandra-Kurla Complex
Bandra (East), Mumbai 400051

(See Note)

f. Stock Code

Bombay Stock Exchange – 505744

National Stock Exchange - FMGOETZE

ISIN No.-NSDL

INE 529A01010

- CDSL

INE 529A01010

Note: Listing Fees for the year 2015-2016 and 2016-17 has been paid to both, Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. Annual custodian charges of Depository have also been paid to NSDL and CDSL.

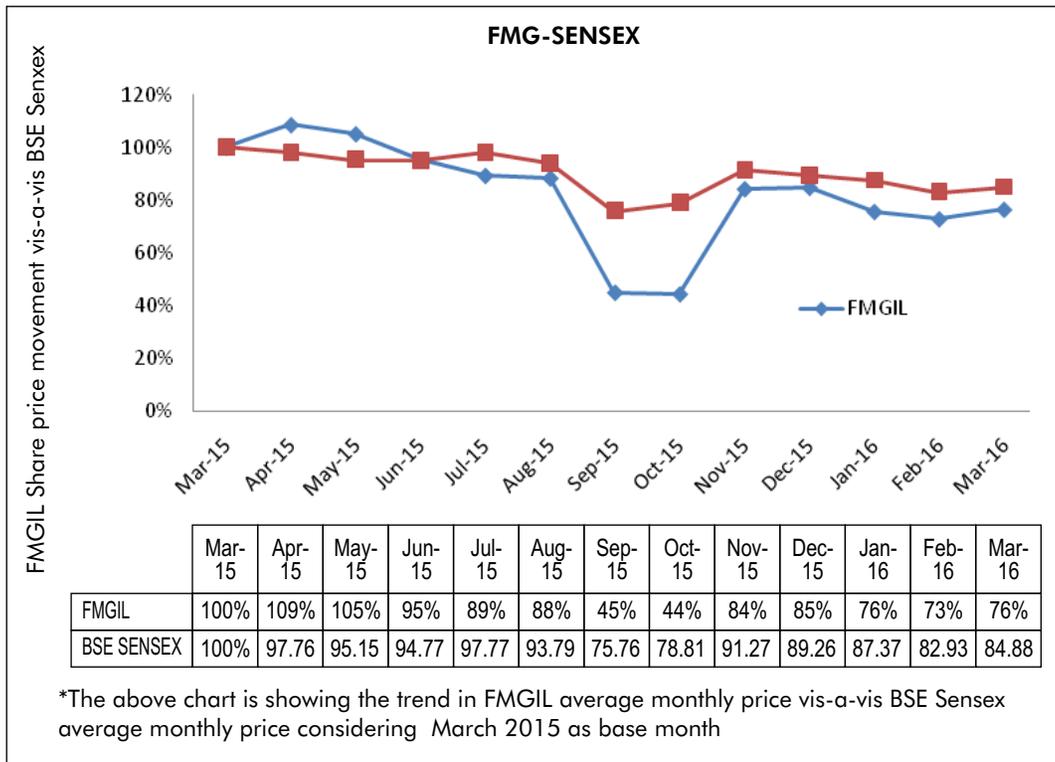
g. Stock Market Data*

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
Apr-15	512.00	418.20	29095	26898	509.00	417.55	8845	8145
May-15	487.10	413.70	28071	26424	483.00	415.15	8490	7997
Jun-15	456.00	361.00	27969	26307	433.95	352.00	8467	7940
Jul-15	425.10	340.10	28578	27416	422.90	340.05	8655	8315
Aug-15	447.40	310.00	28418	25298	445.00	347.00	8622	7667
Sep-15	399.90	358.50	26472	24833	399.95	356.05	8055	7540
Oct-15	381.10	355.50	27618	26169	380.00	357.00	8336	7931
Nov-15	387.00	335.00	26824	25451	385.80	335.00	8116	7714
Dec-15	384.00	342.50	26256	24868	382.90	346.00	7979	7551
Jan-16	365.00	283.00	26197	23840	368.50	277.90	7973	7242
Feb-16	352.80	271.00	25002	22495	354.00	273.60	7600	6825
Mar-16	350.00	305.00	25479	23133	331.80	302.50	7778	7035

* 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 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 41 times during the financial year 2015-16 for approving transfers, transmission etc.
- Pursuant to clause 47(c) of the Listing Agreement with the Stock Exchanges, a certificate for the half year ended on 30th September, 2015, has been issued by the Company Secretary in practice for due compliance of share transfer formalities by the Company. Further, a compliance certificate duly signed by the compliance officer of the Company and the authorised representative of the share transfer agent for the half year ended on 31st March, 2016, pursuant to regulation 7(3) of SEBI (LODR) Regulation 2015 has also been submitted to stock exchanges certifying that all the activities in relation to both physical and electronic share transfer facility are maintained by share transfer agent registered with the Board.

j. Distribution Schedule as on 31/03/2016

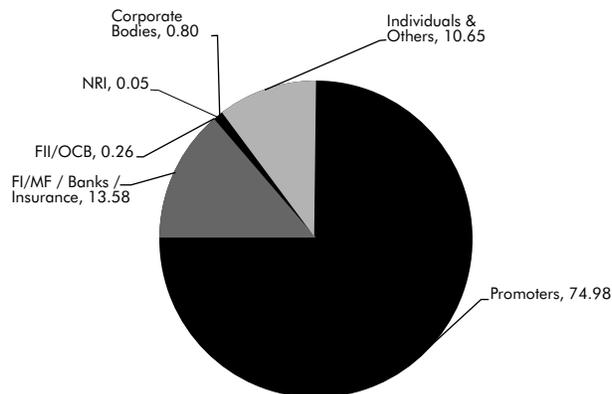
A] On the basis of shares held

No. of shares	No. of share holders	Percentage to total Shareholders	No. of shares held	Percentage to total shares held
UPTO 5000	17291	99.614	2185647	3.929
5001 – 10000	23	0.133	165596	0.298
10001 – 20000	11	0.063	143303	0.258
20001 – 30000	11	0.063	298600	0.537
30001 – 40000	00	0.000	00	0.000
40001 – 50000	01	0.006	42869	0.077
50001 -100000	02	0.012	154499	0.278
ABOVE 100000	19	0.109	52641616	94.624
TOTAL	17358	100.000	55632130	100.000

B] On the basis of Category

Category	No. of Share holders	Percentage to total shareholders	No. of shares held	Percentage to total shares held
Individuals	16,922	97.49	57,37,581	10.31
Corporate Bodies	270	1.56	4,45,525	0.80
Financial Institutions /Mutual Funds/ Banks/Insurance Companies	28	0.16	75,56,875	13.58
Non-resident Indians	118	0.68	27,070	0.05
Foreign Institutional Investors/ Overseas Corporate Bodies	12	0.07	1,44,798	0.26
Promoters (Non-resident Company)	02	0.01	4,17,15,454	74.98
Others	06	0.03	4,827	0.01
TOTAL	17,358	100.00	5,56,32,130	100.00

**DISTRIBUTION OF SHARES OF FEDERAL- MOGUL GOETZE (INDIA) LIMITED
(AS ON MARCH 31, 2016)**



k. Dematerialisation of shares and Liquidity

As on 31st March 2016, 99.09% of the Equity Capital of the Company have been dematerialized .The shares of the company are traded on Bombay 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
Bangalore
(KARNATAKA) | 3. SPL 1240-44
RIICO Industrial Area
Phase I Extn., Bhiwadi
(RAJASTHAN) | 4. Plot No. 46, Sector-11
IIE-Pantnagar, Udham Singh Nagar,
Uttarakhand |
|---------------------------------------|--|--|---|

n. Corporate office:

10th Floor, Tower B, Paras Twin Towers,
Sector-54, Golf Course Road,
Gurgaon, Haryana – 122002, India.
Fax No. : +91 124 4292840
Tel No: +91 124 478 4530

Registered office:

G-4, J. R. Complex, Gate No.-4, Mandoli Delhi – 110093
Tel No: +91 11 71745745
e-mail: investor.grievance@federalmogul.com
Website: www.federalmogulgoetzeindia.net

o. Registrar and Share Transfer Agent

Alankit Assignments Limited
'Alankit Heights'
1E/13, Jhandewalan Extension, New Delhi-110055
Tel No: 011-23541234, 42541234,
Fax No.: 011-23552001/42541201

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

q. Contact information of Designated Official for assisting and handling Investor Grievances: Dr. Khalid Iqbal Khan

Tel : +91 124 4784530
Email ID - khalid.khan@federalmogul.com
Address : 10th floor, Paras Twin Towers, Tower-B,
Golf Course Road, Sector-54, Gurgaon-122002

r. **Grievance Redressal:** Mr. Anand Kumar Sahoo
Email ID - anand.sahoo@federalmogul.com
Address : 10th floor, Paras Twin Towers, Tower-B,
Golf Course Road, Sector-54, Gurgaon-122002

11. The Company has complied with all the applicable corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

This Corporate Governance Report of the Company for the financial year 2016 is in compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

Code of Conduct

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

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

Vinod Kumar Hans
Whole-time Managing Director
DIN: 03328309

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

Place: Gurgaon
Date : 13th May 2016

DECLARATION OF MANAGING DIRECTOR

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, 2016.

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

Vinod Kumar Hans
Whole-time Managing Director
DIN: 03328309

Place: Gurgaon
Date : 13th May 2016

CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance of Federal-Mogul Goetze (India) Limited for the year ended 31st March, 2016 as stipulated in regulations Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

We state that in respect of Investors grievances received during the year ended 31st March, 2016, no investor grievances were pending against the Company for a period exceeding fifteen days as per the records maintained by the Company which were presented to the shareholders/Investor Grievance Committee. All the investor grievances against the Company were resolved amicably.

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

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

Place: Gurgaon
Date: 13th May 2016

ANNEXURE-1 TO DIRECTORS' REPORT

"Nomination And Remuneration Policy"

Legal Framework

In an endeavor to make the hiring of directors, Key Managerial Personnel (KMP) & other senior official more transparent, the Companies Act, 2013 ('Act') and the Listing Agreement require the Company to have the Nomination & Remuneration policy to inter-alia, set up the criteria of nomination and remuneration of directors, KMP, senior management & functional heads.

Definitions

For the purpose of this Policy:

- **'Act'** shall mean the Companies Act, 2013;
- **'Board'** shall mean the Board of Directors of Federal Mogul Goetze (India) Limited;
- **'Committee'** shall mean the Nomination and Remuneration Committee of the Company;
- **'Company'** shall mean Federal Mogul Goetze (India) Limited;
- **'Directors'** shall mean the directors of the Company;
- **'Independent Director'** shall mean a director referred to in Section 149 (6) of

the Companies Act, 2013;

- **'Key Managerial Personnel (KMP)'** shall mean the following:

- (i) Executive Chairman and / or Managing Director (MD) and/or Manager
- (ii) Whole-time Director (WTD);
- (iii) Chief Financial Officer (CFO);
- (iv) Company Secretary (CS);
- (v) Such other officer as may be prescribed.

- **'Senior Management'** shall mean personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

OBJECTIVE & PURPOSE

The objective and purpose of this Policy are as follows:

- 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.

SCOPE OF THE POLICY

The policy shall be applicable to the following:

1. Directors
2. Key Managerial Personnel (KMP)

3. Senior Management (One Level Below the Board)

4. Functional Heads

CONSTITUTION

- a) The Board shall determine the membership of the Committee.
- b) The Committee will comprise of at least three non-executive directors, majority of whom shall be independent directors.
- c) One of the independent non-executive directors shall be designated by the Board to serve as the Committee's Chairman.

NOMINATION, EVALUATION & REMOVAL CRITERIA

1. Broad Evaluation Mechanism

1.1 The Committee shall carry out evaluation of performance of every Director, KMP, Senior Management Personnel, and Functional Heads at regular intervals.

1.2 The Committee shall consider the following factors while reviewing a potential candidate for the position of the Board of Directors/ KMP/ Senior Management/ Functional Head:

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

1.3 Letter of appointment shall be issued based on the recommendations of the Committee on the basis of the guidelines laid down under the Companies Act, 2013.

2. Diversity of the Board, appointment criteria and qualification:

2.1 The Company aims to enhance the effectiveness of the Board by diversifying it and to obtain the benefit out of it by better and improved decision making. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.

2.2 The Policy shall conform to the

following two principles for achieving diversity on its Board:

Decisions pertaining to recruitment, promotion and remuneration of directors will be based on their performance and competence; and

For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort, whatsoever.

2.3 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of a potential candidate.

2.4 In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination based on the following factors: Gender- The Company shall not discriminate on the basis of gender in the matter of appointment of directors on the Board.

- Age- Subject to the applicable provisions of Companies Act, 2013, age shall be no bar for appointment of an individual as director on the Board of the Company.

2.5 A potential candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee shall review and decide whether the qualification, expertise and experience possessed by such person are adequate for the position. The Directors of the Company shall have a mix of finance, legal, technical and management background, that taken together, provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, and investment.

2.6 The Company shall not appoint or continue the employment of any person as whole time director who has attained the age of seventy years. Provided, however, that the term of the person holding this position may be extended beyond the age of seventy years subject to compliance of the applicable provisions of the Companies Act/ rules as existing or as may be amended from time to time.

2.7 The Committee shall ensure that there is an appropriate induction & training programme in place for new directors, KMP,

members of senior management, and functional heads;

3. Term / Tenure:

3.1 Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time.

No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

3.2 Independent Director

An Independent Director shall hold office for a term up to five years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for re-appointment in the Company as Independent Director after the expiry of three years from the date of cessation as such in the Company. The Committee shall take into consideration all the applicable provisions of the Companies Act, 2013 and the relevant rules, as existing or as may be amended from time to time.

4. Removal

Due to reasons of disqualification mentioned in the Companies Act, 2013 and the rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a director, KMP or senior management personnel or functional heads, subject to the provisions and compliance of the Act, rules and regulations.

5. Retirement

The director, KMP, senior management & functional heads shall retire as per the applicable provisions of the Companies Act, 2013 read with the rules made thereunder and the prevailing policy of the Company.

6. Remuneration

6.1 In discharging its responsibilities, the Committee shall have regard to the following Policy objectives:

- To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- To attract and retain competent

executives;

- To plan short and long-term incentives to retain talent;
- To ensure that any severance benefits are justified.

6.2 The remuneration/ compensation/ commission etc. to the whole-time director, KMP and senior management & functional heads will be determined by the Committee and recommended to the Board for approval.

6.3 The remuneration and commission to be paid to the MD and/or whole-time director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 and the rules made thereunder.

6.4 Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which shall be within the slabs approved by the shareholders in the case of whole-time Director/ Managing Director.

The MD and/or whole-time director / KMP

and senior management and functional heads shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution towards provident fund, pension scheme, medical expenses, club fees and other perquisites etc. shall be decided and approved by the Board on the recommendation of the Committee.

If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD and/or Whole-time Director (s) in accordance with the provisions of Schedule V to the Companies Act, 2013. In case the Company is not able to comply with the requirement of Schedule V to the Companies Act, 2013, the Company shall pay the remuneration after compliance with the applicable requirements of law.

6.5 Remuneration to Non- Executive / Independent Director:

6.5.1 The Non-Executive / Independent Directors shall be paid such remuneration as may be approved by the Board on the

recommendation of the Committee and as permissible under the provisions of the Companies Act 2013/ rules framed there under.

6.5.2 The Non- Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the limits prescribed under Companies Act 2013.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be recorded as minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

REVIEW

The Committee shall, at least once in each year, assess the adequacy of this Policy and make any necessary or desirable amendments to ensure it remains consistent with the Board's objectives, current law and best practice.

ANNEXURE-2 TO DIRECTORS' REPORT

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis during the FY 2015-16: Nil.
2. Details of material contracts or arrangement or transactions at arm's length basis: Nil.

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

Vinod Kumar Hans
Whole-time Managing Director
DIN: 03328309

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

Date: 13th May, 2016
Place: Gurgaon

ANNEXURE - 3 TO DIRECTORS' REPORT

**Pursuant to clause (m) of sub-section (3) of section 134 of the Act and
Companies (Accounts) Rules, 2014**

A. CONSERVATION OF ENERGY

- a) The following energy conservation measures were taken:
1. Optimization of power consumption in compressed air generation through the following:
 - Replacement of 3 decades old, outdated and inefficient reciprocating water cooled compressors with highly efficient technology upgraded air screw compressors.
 - Modification of compressed air distribution piping network for control on operating pressure & volume in line with the requirement.
 - Relocation of the air pressure vessels near the source, thereby, increasing the storage capacity and reducing the air pressure drop during non-productive periods.
 - Low cost automation for shutting off/ on of the air supply post storage vessels during power failures, thereby, reducing the line losses and time for regeneration.
 - Effective execution of periodical preventive maintenance activities to sustain the optimum efficiency of compressed air generation/ operations.
 - Effective monitoring and visualization of compressor operations by installing remote measuring instruments for air volume & pressure.
 - Switching off the compressors during lunch time and shift changeover time.
 - Periodical replacement/ repair of pneumatic machine parts to optimize the air consumption.
 - Installation of air to air boosters at the user end for one off equipments to avoid generation at increased power at the source.
 - Conversion of manual moisture drain valves to volume/ time based auto drain valves resulting in wastage of air in absence of moisture.
 - Replacement of compressed air Aluminum energy efficient pipes to reduce pressure drop and leakages in place of old MS pipes in two shops.
 - Regular audit of compressed air and leakages test at various stages in shop floor and then implementation.
 - Energy audit by CII in compressed air system and then implementation.
 2. Optimization of power consumption in water pumping stations:
 - Automatic switching on / off of the water pumps in line with the consumption by installation of level controllers.
 - Optimizing the power rating of water pumps in line with the consumption/ user needs.
 - Replacement of old and outdated water pumps with energy efficient technology upgraded pumps resulting in high volume @ low power.
 3. Optimization of power consumption in lighting/ AC system:
 - Phased manner replacement of 36 watts conventional fluorescent tube light fittings with 18 watts LED tube fittings.
 - Phased manner replacement of 250/ 400 watts conventional street light and mercury vapour lamp fittings with 90/ 140 watts LED lamp fittings.
 - Proper selection of AC units depending on the usage levels.
 - Maintenance of electrical power factor of electrical power system above 0.99 for saving in KVAH electrical billing and reduction in losses.
 - Replacement of old technology oil circuit breakers with new vacuum circuit breakers.
 - Less working of DG by approval of additional load from state electricity authority thus saving in HSD cost in Patiala.
 - To reduce heat losses in electrical system by Global Risk Consultant and in-house thermography of electrical power system.
 - Installation of cover on holding furnaces to reduce heat losses.
 - Installation of LPG operated RR melting furnace in place of low efficient diesel Operated Sklaner furnaces.
 4. Optimization of power consumption in motors/ furnaces:
 - Switching off the motors when not in use.
 - Optimizing of the motor power ratings in existing/ new equipments.
 - Continuous improvement activities to optimize the melting and heat treatment furnace efficiency.
 5. Optimization of Power cost by other means:
 - Outsourcing of limited power quantity from ESCOM authorized private parties at lesser cost.
 - Replacement of old HT overhead conductor with insulated overhead cables to reduce losses by eliminating number of jumpers.

- b) Utilizing alternative source of energy:
 - Alternative source of fuel LPG on new RR melting furnace using instead of HSD on Sklaner melting furnace thus saving in energy cost.
 - Use of solar water heater in canteen.
- c) Capital investment on energy equipments: Rs. 6.4 crores (approx.)
- d) Impact of the above measures:

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

B. TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption:
 - The Company has successfully absorbed the technology for the manufacturing of piston.
 - Installation of efficient plating process for piston rings.
 - Installation of 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.
 - Installation of auto gauging for inspection.
 - Installation of chip melting plant.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
 - Product development for friction reduction, reduction in lube oil consumption and improving specific fuel consumption.
 - Introduction of different alloy and skirt coating materials.
 - Introduction of ID & OD machining & inspection technology for rings.
 - Galley cooled pistons production to meet BSIV & BSV emission norms.
 - Implementation of new coatings for friction & wear protection for pistons.
 - New ring configurations to meet lower fuel, lube oil consumption and engine life.
 - Introduction of the casting simulation software for casting optimization.
 - Introduction of knock off runner, riser design & Alfin thickness optimization in piston casting.
 - Work on VA-VE proposals for cost reduction & improve productivity projects.
- (iii) In case of imported technology, (imported during the last three years reckoned from the beginning of the financial year)

Details of Technology imported	Year of Import	Technology absorption status
Auto gauging for inspection-LVD (indigenously developed)	2014	Implemented
Circlip & pin mounting	2014	Implemented
Chip melting plant	2015	Implemented
RR Furnace	2015	Implemented
Stereo microscope	2015	Implemented
Practical analyser	2015	Implemented
Oil jet testing machine	2015	Implemented
Rapid ink-vision measuring machine (indigenously developed)	2015	Implemented
Auto gauging for inspection- PMS Domestic (indigenously developed)	2015	Implemented
LKR	2016	Samples development activity started based on the technical inputs from Germany. Production is expected by Q4'17 which is based on the customer program time line.

- (iv) Expenditure incurred on Research & Development (R & D):
 - Capital : Rs. 72.76 lacs
 - Recurring : Rs. 510.14 lacs
 - Total : Rs. 582.90 lacs

Total R & D Expenditure as a percentage of total turnover: 0.44%

C. FOREIGN EXCHANGE EARNINGS & OUTGO

1. Exports: Rs. 16711.65 lacs
2. Foreign exchange earned: Rs. 16711.65 lacs
3. Foreign exchange utilized: Rs. 20654.12 lacs

ANNEXURE-4 TO DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY POLICY

Effective: April 1, 2014

1. SHORT TITLE & APPLICABILITY:

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

2. THE COMPANY'S APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY

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

2.1 AIMS AND OBJECTIVES

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

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

3. ACTIVITIES UNDER CORPORATE SOCIAL RESPONSIBILITY

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

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

CSR activities will include the following activities relating to:—

- (i) Eradicating hunger, poverty, malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- (ii) Promotion of education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) Measures for the benefit of armed forces veterans, war widows and their dependants.
- (v) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- (vi) Ensuring environmental sustainability, ecological balance protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
- (vii) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.
- (viii) Contributions or funds provided to technology incubators located within academic institutions which are approved by Central Government.
- (ix) Rural development projects.
- (x) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- (xi) Such other matters as may be prescribed by the Central Government and approved by the Board of Directors/ CSR Committee, as the case may be.

4. PROHIBITED ACTIVITIES UNDER CSR

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

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

5. IMPLEMENTATION MECHANISM

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

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

6. PLANNING AND COORDINATION

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

7. MONITORING AND EVALUATION

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

8. ALLOCATION OF FUNDS

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

9. REPORTING

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

10. GENERAL

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

ANNEXURE - 5 TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

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

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

The Company shall endeavour to create footprints in the nation building efforts of the Govt. by significantly contributing on national mission.

Our social investment programmes focus on five areas where we believe we can add the most value and make a significant and lasting impact.

- **Promotion of Education** – Promoting quality education amongst less privileged children, especially girl child, to bring about a social change.
- **Preventive Health care** – To directly and indirectly improve the health of fellow citizens, especially the socially and economically marginalized groups by working actively in the areas of preventive health and sanitation and making available safe drinking water.
- **Rural Development Project** – To contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large by supporting local schools & hospitals i.e. community development
- **Employment Enhancing Vocational Skills** – In order to enhance the skill Development of unemployed youth, we plan to associate ourselves with ITI's and launch a series of programmes to provide technical and vocational training with an ultimate aim of creating world class skilled work force and making the potential employees 'Job Ready' before they embark upon their professional career.
- **Women Empowerment** – To equip women, with skills and resources to build a better future for themselves.

The CSR policy and details of the programs are available on the website of the Company,

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

2. Composition of the CSR Committee:

Presently, the CSR committee comprises the following members :-

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

3. Average net profit of the Company for the last three financial years: INR 28.68 crores

4. Prescribed CSR Expenditure (two percent, of the amount as in item 3 above): INR 57.36 lacs

5. Details of CSR spent during the financial year:

a) **Total amount to be spent for the financial year** : As there was no unspent amount during the previous financial year, the total amount to be spent for the financial year was Rs. 57.36 lacs

b) **Amount Unspent, if any** : Nil

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

Rs. in lacs

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local Area (2) Specify the State and district where projects were undertaken	Amount Outlay (budget) or programs wise	Amount spent on project (1) Direct expenditure on project (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	Education to Under-privileged children	Promotion of Education	Gurgaon		12.11		Agency - Ghar Angna (Ek Pyara Sapna)
2	Providing school uniform for Deaf and Blind School	Promotion of Education	Patiala		7.6		Agency - Society for Welfare of the Handicapped
3	Bridge Course for school dropouts	Promotion of Education	Gurgaon/Delhi		8.76		Agency - Vidya Integrated Development for Youth and Adults
4	Sponsoring education and all expense for	Promotion of Education	Rajpura		5.22		Agency- SOS Childrens Village

one unit (having 9 children and 1 mother)						
5	Upgrading facility at Govt. school	Promotion of Education	Bhiwadi		2.05	Agency-Uday Society for Development
6	Providing infrastructure and running Silai Centre	Promotion of Education (Employment Enhancing Vocational Skills)	Faridabad		1.00	Agency – Uday Society for Development
7	Training Mechanic programme	Promotion of Education (Employment Enhancing Vocational Skills)	Gurgaon		0.37	Agency- SNS Foundation
8	Providing safe drinking water at school for under-privileged children	Promotion of Healthcare (Preventive Health Care)	Patiala		2.18	Direct
9	Providing of safe drinking water to communities	Promotion of Healthcare (Preventive Health Care)	Bangalore		10.82	Direct
10	Upgrading facility at Govt. Dispensary	Promotion of Healthcare (Preventive Health Care)	Bhiwadi		1.75	14.75 Agency-Uday Society for Development
11	Remuneration of CSR Co-ordinator				5.50	5.50 Direct
TOTAL					57.36	57.36

6. Details of implementing Agencies are as under :-

- a. **Uday Society for Development** – The Company has been working with Uday Society, an NGO engaged in the up-liftment of under-privileged society with an aim to largely work on the development of the deprived community to enable them live with dignity and self esteem, by supporting them to achieve good health, proper education and economic growth. It has been in existence since the year 2003.
- b. **Vidya-Integrated Development for Youth and Adults** –The Company has been working with VIDYA, a non-profit NGO. Its a charitable organization that specializes in the field of education and empowerment of less privileged children, youth and women through working with them at an individual level.
- c. **SNS Foundation** - THE SNS Foundation is the CSR wing of Anand established in the 70's and operates around the various manufacturing bases of Anand spread across the country. The Vision of the Foundation is a development process that creates a socially just and equitable, economically progressive, and environmentally sustainable society.
- d. **Ghar Angna (Ek Pyara Sapna) Welfare Society**, an NGO in the field of education for under-privileged children from Nursery to Class -2 has been in existence since the year 2009.
- e. **SOS Children's Village** - SOS Children's Village of India is an independent, non-governmental, social development organisation that provides family-based care for parentless or abandoned children in India. The organization is over 50 years old in India and it advocates the concerns, rights and needs of the children in need of care and protection. In India, they are present in 22 states and have 32 SOS Children's Villages and over 25, 000 beneficiaries.

7. During the financial year, the implementation and monitoring of CSR policy, was in compliance with CSR objectives and policy of the Company.

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

Vinod Kumar Hans

Whole-time Managing Director & Chairman of CSR Committee

DIN: 03328309

Place: Gurgaon

Date: 13th May 2016

ANNEXURE-6 TO DIRECTORS' REPORT

Form AOC-1

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

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

Part "A": Subsidiaries

(Rs. in lacs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Federal-Mogul TPR (India) Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 st April 2015 to 31 st March 2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital	Authorised Sh. Cap. - 2000.00 Issued Sh. Cap. - 1000.00
5.	Reserves & surplus	8704.82
6.	Total assets	11113.39
7.	Total Liabilities	11113.39
8.	Investments	Nil
9.	Turnover (Net)	9780.19
10.	Profit before taxation	2345.42
11.	Provision for taxation	840.03
12.	Profit after taxation	1505.39
13.	Proposed Dividend	560.00
14.	% of shareholding	51%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures : There is no associate and joint venture company as on 31st March 2016.

ANNEXURE-7 TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

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

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

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

Based on our verification of the Federal Mogul Goetze (India) Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering (1st April, 2015 - 31st March, 2016) the financial year ended on 31st March, 2016 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, 2016 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 (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015);
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009-Not applicable as the Company has not issued any shares during the year under review;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not applicable as the Company has not issued any shares/ options to Directors/ employees under the said guidelines/ regulations during the year under review;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-Not applicable as the Company has not issued any debt securities which were listed during the year under review;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the year under review;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the Company has not bought back or propose to buy back any of its securities during the year under review.

(vi) OTHER APPLICABLE ACTS,

- (a) Factories Act, 1948
- (b) Payment of Wages Act, 1936, and rules made thereunder,
- (c) The Minimum Wages Act, 1948, and rules made thereunder,
- (d) Employees Provident Fund and rules made thereunder,
- (e) The Employees Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
- (f) The Payment of Bonus Act, 1965, and rules made thereunder,
- (g) Payment of Gratuity Act, 1972, and rules made thereunder,
- (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015)
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015).

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

During the period under review the Company has appointed Whole time Director on the Board of the Company on 22.05.2015, 8.12.15 and on 4.02.16 for which shareholders approval is yet to be sought.

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

Place : NEW DELHI

Date: 13th May, 2016

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

DISCLAIMER NOTE : We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

ANNEXURE-8 TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L74899DL1954PLC002452
Registration Date	26 th November, 1954
Name of the Company	Federal-Mogul Goetze (India) Limited
Category / Sub-Category of the Company	Company limited by shares
Address of the Registered office and contact details	<p>Registered Office : G-4, J. R. Complex, Gate No.-4, Mandoli, Delhi-110093</p> <p>Contact details: Ph. No.: +91 11 71745745</p> <p>Corporate Office : Paras Twin Towers, 10th Floor, Tower B, Sector-54, Golf Course Road, Gurgaon-122002</p> <p>Contact details: Ph. No.: +91 124 4784530; Fax : +91 124 4292840 Email: investor.grievance@federalmogul.com Website: www.federalmogulgoetzeindia.net</p>
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	<p>Alankit Assignments Limited Alankit House, 1E/13, Jhandewalan Extension, New Delhi- 110055 Ph. No.: +91 11 42541234; +91 11 23541234 Fax : +91-11- 42541201 Email : rta@alankit.com</p>

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Pistons & Piston Pins	2811	61.80 %
2	Piston rings	2811	27.41%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub – total (A)(1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	41715454	-	41715454	74.984	41715454	-	41715454	74.984	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	41715454	-	41715454	74.984	41715454	-	41715454	74.984	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	41715454	-	41715454	74.984	41715454	-	41715454	74.984	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	5679436	1850	5681286	10.212	5682385	1850	5684235	10.217	0.005
b) Banks / FI	1328	1772	3100	0.006	1052	1772	2824	0.005	(0.001)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1869766	50	1869816	3.361	1869766	50	1869816	3.361	-
g) FIs	114280	1050	115330	0.207	8475	1050	9525	0.017	(0.190)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)- FPI's	31819	-	31819	0.057	135273	-	135273	0.243	0.186
Sub-total (B)(1):-	7696629	4722	7701351	13.843	7696951	4722	7701673	13.844	0.000
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
l) Indian	258986	6143	265129	0.477	439382	6143	445525	0.801	0.324
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1659892	508318	2168210	3.897	1645694	490806	2136500	3.840	(0.057)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3753211	-	3753211	6.746	3601081	-	360108	6.473	(0.273)
c) Others (specify)- Trust	4827	-	4827	0.009	4827	-	4827	0.009	-
NRI	22361	1587	23948	0.043	25483	1587	27070	0.049	0.006
Sub-total (B)(2): Total Public Shareholding (B)=(B)(1)+ (B)(2)	5699277	516048	6215325	11.172	5716467	498536	6215003	11.172	0.000
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	55111360	520770	55632130	100.000	55128872	503258	55632130	100.000	0.000

ii. Shareholding of Promoters

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

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

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

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

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date of change in Share holding	Increase/ Decrease in Share holding	Reason for Increase/ Decrease	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company				No. of shares	% of total shares of the company
1	Reliance Capital Trustee Company Limited A/C	5479189	9.85	-	-	-	5479189	9.85
	Reliance Capital Trustee Company Limited A/C			10/04/2015	9000	Transfer	5488189	9.87
	Reliance Capital Trustee Company Limited A/C			24/04/2015	2749	Transfer	5490938	9.87
	Reliance Capital Trustee Company Limited A/C			01/05/2015	12813	Transfer	5503751	9.89
	Reliance Capital Trustee Company Limited A/C			08/05/2015	4187	Transfer	5507938	9.90
	Reliance Capital Trustee Company Limited A/C			15/05/2015	2880	Transfer	5510818	9.91
	Reliance Capital Trustee Company Limited A/C			05/06/2015	6525	Transfer	5517343	9.92
	Reliance Capital Trustee Company Limited A/C			12/06/2015	7511	Transfer	5524854	9.93
	Reliance Capital Trustee Company Limited A/C			19/06/2015	3900	Transfer	5528754	9.94
	Reliance Capital Trustee Company Limited A/C			26/06/2015	6000	Transfer	5534754	9.95
	Reliance Capital Trustee Company Limited A/C			10/07/2015	(7667)	Transfer	5527087	9.94
	Reliance Capital Trustee Company Limited A/C			17/07/2015	(7051)	Transfer	5520036	9.92
	Reliance Capital Trustee Company Limited A/C			07/08/2015	(19068)	Transfer	5500968	9.89
	Reliance Capital Trustee Company Limited A/C			28/08/2015	19854	Transfer	5520822	9.92
	Reliance Capital Trustee Company Limited A/C			04/09/2015	(50000)	Transfer	5470822	9.83
	Reliance Capital Trustee Company Limited A/C			11/09/2015	5984	Transfer	5476806	9.84
	Reliance Capital Trustee Company Limited A/C			18/09/2015	3449	Transfer	5480255	9.85
	Reliance Capital Trustee Company Limited A/C			30/09/2015	1000	Transfer	5481255	9.85
	Reliance Capital Trustee Company Limited A/C			13/11/2015	853	Transfer	5482108	9.85
	Reliance Capital Trustee Company Limited A/C			20/11/2015	900	Transfer	5483008	9.86
	Reliance Capital Trustee Company Limited A/C			04/12/2015	208	Transfer	5483216	9.86
	Reliance Capital Trustee Company Limited A/C			11/12/2015	1000	Transfer	5484216	9.86
	Reliance Capital Trustee Company Limited A/C			25/12/2015	241	Transfer	5484457	9.86
	Reliance Capital Trustee Company Limited A/C			08/01/2016	50000	Transfer	5534457	9.95
	Reliance Capital Trustee Company Limited A/C			22/01/2016	5500	Transfer	5539957	9.96
	Reliance Capital Trustee Company Limited A/C			19/02/2016	(46154)	Transfer	5493803	9.88
	Reliance Capital Trustee Company Limited A/C			04/03/2016	(22475)	Transfer	5471328	9.83
	Reliance Capital Trustee Company Limited A/C			11/03/2016	3316	Transfer	5474644	9.84
	Reliance Capital Trustee Company Limited A/C			18/03/2016	5218	Transfer	5479862	9.85
	Reliance Capital Trustee Company Limited A/C			25/03/2016	1000	Transfer	5480862	9.85
	Reliance Capital Trustee Company Limited A/C			31/03/2016	1283	Transfer	5482145	9.85

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date of change in Share holding	Increase/Decrease in Share holding	Reason for Increase/Decrease	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company				No. of shares	% of total shares of the company
2	Bhavook Tripathi	2124847	3.82	-	-	-	2124847	3.82
	Bhavook Tripathi			10/04/2015	(10266)	Transfer	2114581	3.80
	Bhavook Tripathi			17/04/2015	(9550)	Transfer	2105031	3.78
	Bhavook Tripathi			24/04/2015	(11402)	Transfer	2093629	3.76
	Bhavook Tripathi			01/05/2015	109	Transfer	2093738	3.76
	Bhavook Tripathi			08/05/2015	(234)	Transfer	2093504	3.76
	Bhavook Tripathi			15/05/2015	(460)	Transfer	2093044	3.76
	Bhavook Tripathi			22/05/2015	(1725)	Transfer	2091319	3.76
	Bhavook Tripathi			29/05/2015	(200)	Transfer	2091119	3.76
	Bhavook Tripathi			01/06/2015	245	Transfer	2091364	3.76
	Bhavook Tripathi			12/06/2015	(410)	Transfer	2090954	3.76
	Bhavook Tripathi			19/06/2015	383	Transfer	2091337	3.76
	Bhavook Tripathi			17/07/2015	(600)	Transfer	2090737	3.76
	Bhavook Tripathi			08/07/2015	(8517)	Transfer	2082220	3.74
	Bhavook Tripathi			08/21/2015	(568)	Transfer	2081652	3.74
	Bhavook Tripathi			09/04/2015	(100)	Transfer	2081552	3.74
	Bhavook Tripathi			29/01/2015	94	Transfer	2081646	3.74
	Bhavook Tripathi			05/02/2016	(94)	Transfer	2081552	3.74
	Bhavook Tripathi			19/02/2016	3912	Transfer	2085464	3.75
	Bhavook Tripathi			02/26/2016	648	Transfer	2086112	3.75
	Bhavook Tripathi			03/04/2016	2498	Transfer	2088610	3.75
	Bhavook Tripathi			03/11/2016	(3160)	Transfer	2085450	3.75
	Bhavook Tripathi			03/18/2016	(321)	Transfer	2085129	3.75
3	Life Insurance Corporation of India	1129741	2.03	-	-	-	1129741	2.03
4	K Mohan	754000	1.36	-	-	-	754000	1.36
				15/01/2016	475	Transfer	754475	1.36
				22/01/2016	525	Transfer	755000	1.36
				19/02/2016	1	Transfer	755001	1.36
				18/03/2016	(291)	Transfer	754710	1.36
				31/03/2016	(710)	Transfer	754000	1.36
5	The New India Assurance Company Limited	539775	0.97	-	-	-	539775	0.97
6	General Insurance Corporation of India	200250	0.36	-	-	-	200250	0.36
7	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Mnc Fund	200000	0.36	-	-	-	200000	0.36
8	India Infoline Limited	50	0.00	-	-	-	50	0.00
	India Infoline Limited			10/04/2015	(50)	Transfer	-	-
	India Infoline Limited			24/04/2015	100	Transfer	100	0.00
	India Infoline Limited			01/05/2015	(100)	Transfer	0	0.00
	India Infoline Limited			08/05/2015	1458	Transfer	1458	0.00
	India Infoline Limited			15/05/2015	(1458)	Transfer	0	0.00
	India Infoline Limited			05/06/2015	3	Transfer	3	0.00
	India Infoline Limited			12/06/2015	(3)	Transfer	0	0.00
	India Infoline Limited			30/06/2015	25	Transfer	25	0.00
	India Infoline Limited			03/07/2015	(25)	Transfer	0	0.00
	India Infoline Limited			10/07/2015	425	Transfer	425	0.00
	India Infoline Limited			17/07/2015	(312)	Transfer	113	0.00
	India Infoline Limited			24/07/2015	775	Transfer	888	0.00
	India Infoline Limited			31/07/2015	(888)	Transfer	0	0.00

Sl. No.	Shareholding at the beginning of the year		Date of change in Share holding	Increase/Decrease in Share holding	Reason for Increase/Decrease	Cumulative Shareholding during the year	
	No. of shares	% of total Shares of the company				No. of shares	% of total shares of the company
			07/08/2015	36	Transfer	36	0.00
			14/08/2015	(36)	Transfer	0	0.00
			28/08/2015	28	Transfer	28	0.00
			04/09/2015	(28)	Transfer	0	0.00
			23/10/2015	90	Transfer	90	0.00
			30/10/2015	820	Transfer	910	0.00
			06/11/2015	(910)	Transfer	0	0.00
			13/11/2015	11	Transfer	11	0.00
			20/11/2015	(11)	Transfer	0	0.00
			04/12/2015	722	Transfer	722	0.00
			11/12/2015	(722)	Transfer	0	0.00
			18/12/2015	1	Transfer	1	0.00
			31/12/2015	224999	Transfer	225000	0.40
			08/01/2016	(74925)	Transfer	150075	0.27
			15/01/2016	(75)	Transfer	150000	0.27
			12/02/2016	175	Transfer	150175	0.27
			19/02/2016	(175)	Transfer	150000	0.27
			04/03/2016	44	Transfer	150044	0.27
			11/03/2016	(44)	Transfer	150000	0.27
			25/03/2016	10	Transfer	150010	0.27
			31/03/2016	(10)	Transfer	150000	0.27
9			-	-	-	0	0.00
			15/01/2016	62500		62500	0.11
			19/02/2016	50018		112518	0.20
			04/03/2016	25000		137518	0.25
			31/03/2016	0	-	137518	0.25
10	135104	0.24	-	-	-	135104	0.24

v. Shareholding of Directors and Key Managerial Personnel:

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

Note: Mr. Vinod Kumar Hans, Mr. K. N. Subramaniam, Mr. Manish Chadha, Mr. Rajesh Sinha, Mr. Sunit Kapur, Ms. Janice Maiden Ruskey, Mr. Bernhard Georg Motel, Mr. Mukul Gupta, Mr. Mahendra Kumar Goyal, Mr. Andreas Wilhelm Kolf and Mr. Sachin Selot did not hold any shares during the year 2015-16.

V. INDEBTEDNESS

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

(Rs. in lacs)

	Secured Long Term Loans excluding deposits	Secured short Term Loans excluding deposits	Unsecured Loans	Inter-corporate Deposit	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year						
I) Principal Amount	1,388.89	9,319.39	3,118.93	8,815.00	Nil	22,642.21
ii) Interest due but not paid	Nil	Nil	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	14.95	79.94	8.63	68.37	Nil	171.89
Total (i+ii+iii)	1403.84	9,399.33	3,127.56	8,883.37	Nil	22,813.56
Change in Indebtedness during the financial year						
• Addition	4,000.00	7,497.00	6,628.00	500.00	Nil	18,625.00
• Reduction	(666.67)	(9,630.93)	(5,737.01)	(5,100.01)	Nil	(21,134.62)
Net Change	3,333.33	(2,133.93)	890.99	(4,600.01)	Nil	(2,509.62)
Indebtedness at the end of the financial year						
i) Principal Amount	4,722.22	7,185.46	4,009.92	4,214.99	Nil	20,132.59
ii) Interest due but not paid	Nil	Nil	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	43.04	66.60	9.65	27.01	Nil	146.30
Total (i+ii+iii)	4,765.26	7,252.06	4,019.57	4,242.00	Nil	20,278.89

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Vinod Kumar Hans	Andreas Wilhelm Kolf	Name of MD / WTD / Manager				Total
				Manish Chadha	Khalid Iqbal Khan	Rajesh Sinha	Sachin Selot	
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19.20	239.90	8.39	41.86	15.33	12.44	337.12
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	21.21	-	-	-	-	21.21
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission - as % of profit - others, (Commission)	-	-	-	-	-	-	-
5	Others, (Company's contribution to PF & Superannuation, wherever applicable)	2.18	25.40	0.83	1.82	4.41	0.65	35.30
	Total (A)	21.38	286.51	9.22	43.68	19.74	13.09	393.63
	Ceiling as per the Act	Being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013						754.66

B. Remuneration to other directors:

(Rs. in lacs)

Sl. No. Particulars of Remuneration	Name of Directors			
	K. N. Subramaniam	Mukul Gupta	Mahendra Goyal	Total
For Independent Directors				
Fee for attending Board / Committee meetings	11.30	11.30	1.00	23.60
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total (1)	11.30	11.30	1.00	23.60
Other Non-Executive Directors	Sunit Kapur	Janice Ruskey Maiden	Bernhard Georg Motel	
Fee for attending Board / Committee meetings	-	-	-	-
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total (2)	-	-	-	-
Total (1+2)	11.30	11.30	1.00	23.60
Total Managerial Remuneration	-	-	-	417.23
Overall Ceiling as per the Act Being 11% of the net Profits of the Company calculated as per Section 198 of the Companies Act, 2013				830.12

Notes:

1. Dr. Khalid Iqbal Khan was appointed as Whole-time Director-Legal & Company Secretary w.e.f. 22nd May 2015.
2. Mr. Manish Chadha was appointed as CFO & Finance Director w.e.f. 5th February 2016.
3. Mr. Rajesh Sinha was appointed as Whole-time Director w.e.f. 1st January 2016.
4. Mr. Vinod Kumar Hans was appointed as Whole-time Managing Director w.e.f. 1st January 2016.
5. Mr. Andreas Wilhelm Kolf resigned from the Board w.e.f. close of business hours 31st December 2015.
6. Mr. Sachin Selot resigned from the Board w.e.f. close of business hours 26th May 2015.
7. Management Incentive Plan for the financial year 2015-16 was paid during 2016-17.
8. Total remuneration to Chairman & Managing Director, Whole Time Directors and other Directors (being the total of A and B)

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

(Rs. in lacs)

Sl. No. Particulars of Remuneration	Key Managerial Personnel	
	Manish Chadha	Khalid Iqbal Khan
1 Gross salary		
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35.28	48.35
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2 Stock Option	-	-
3 Sweat Equity	-	-
4 Commission		
- as % of profit - others, (Commission)	-	-
5 Others, (Company's contribution to PF & Superannuation)	3.18	2.10
Total	38.46	50.45

Notes:

1. Mr. Manish Chadha was appointed as Chief Financial Officer of the Company w.e.f. 1st June 2015. He was further appointed as CFO & Finance Director w.e.f. 5th February 2016.
2. Dr. Khalid Iqbal Khan was appointed as Whole-time Director-Legal & Company Secretary w.e.f. 22nd May 2016.
3. Payment for the Management Incentive Plan for the financial year 2015-16 was made during 2016-17.

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE-9 TO DIRECTORS' REPORT

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No.	Particulars	Details								
1.	Corporate Identity Number (CIN) of the Company:	L74899DL1954PLC002452								
2.	Name of the Company:	Federal-Mogul Goetze (India) Limited								
3.	Registered address:	G-4, J. R. Complex, Gate No.- 4, Mandoli, Delhi - 110093								
4.	Website:	www.federalmogulgoetzeindia.net								
5.	E-mail id:	khalid.khan@federalmogul.com								
6.	Financial Year reported:	1st April, 2015 to 31st March, 2016								
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	Automobile sector								
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">Product</td> <td>NIC Code</td> </tr> <tr> <td>(i) Piston rings</td> <td>2811</td> </tr> <tr> <td>(ii) Pistons</td> <td>2811</td> </tr> <tr> <td>(iii) Pins</td> <td>2811</td> </tr> </table>	Product	NIC Code	(i) Piston rings	2811	(ii) Pistons	2811	(iii) Pins	2811
Product	NIC Code									
(i) Piston rings	2811									
(ii) Pistons	2811									
(iii) Pins	2811									
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5): (b) Number of National Locations:	<p>Nil</p> <p>4 manufacturing locations, Registered office, Head Office, 6 sales offices and 47 depots</p>								
10.	Markets served by the Company-Local/State/National/International	All India								

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No.	Particulars	Details
1.	Paid up Capital (INR)	Rs. 556,321,300/-
2.	Total Turnover (INR)	Rs. 146,298.06 lacs
3.	Total profit after taxes (INR)	Rs. 4400.64 lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Total spending on CSR activities was Rs. 57.36 lacs, which is 2% of the average profits of last 3 years.
5.	List of activities in which expenditure in (4) above has been incurred:-	List of CSR activities is detailed in the Annual Report of CSR activities, Annexure to the Board's Report.

SECTION C: OTHER DETAILS

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

SECTION D : BR INFORMATION

S. No.	Particulars	Details
1.	Details of Director/Directors responsible for BR	
	(a) Details of the Director/ Director responsible for implementation of the BR policy/ policies:	1. DIN Number : 03328309 2. Name : Mr. Vinod Kumar Hans 3. Designation : Whole-Time Managing Director
	(b) Details of the BR head:	1. DIN Number : 03328309 2. Name : Mr. Vinod Kumar Hans 3. Designation : Whole-Time Managing Director 4. Telephone number: +91 124-4784530 5. e-mail id: vinod.hans @federalmogul.com

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

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

Principal 1

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

Principal 2

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

Principal 3

Businesses should promote the wellbeing of all employees.

Principal 4

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

Principal 5

Businesses should respect and promote human rights.

Principal 6

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

Principal 7

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

Principal 8

Businesses should support inclusive growth and equitable development.

Principal 9

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

Principle-wise (as per NVGs) BR Policy/policies
(a) Details of compliance (Reply in Y/N):

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

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

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

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

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

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

3. Governance related to BR

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

S. No.	Particulars	Details
Principle 1		
1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs /Others?	The Company's Code of conduct & Integrity policy include its policy on ethics, bribery and corruption covering the Company and all its vendors, contractors and consultants. Other significant documents of Federal-Mogul that define the standard of behavior of the Company, include affirmation from the vendors/ consultants not to violate any applicable bribery laws and declaration of the code of conduct.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During 2015-16, 4 complaints received from the shareholders which were timely resolved by the Company. No complaints were received from other stakeholders.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
Piston, Piston Rings and Piston Pins.
 - (a) Piston assemblies developed / are being developed to meet BS IV emission norms. Further, reduction in engine oil consumption is being achieved by improvements in product design. The reduction in oil consumption helps the consumer in reduced operating expenses.
 - (b) Friction reduction technologies adopted in the product (Piston, piston pin and rings) improve the fuel efficiency of the engine, thereby, reducing CO2 and operating expenses
 - (c) Wear resistant coating technology for piston rings helps to improve the durability of the engine, thereby, ensuring the consistent performance over the engine life.
2. Does the company have procedures in place for sustainable sourcing (including transportation)?
 - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
The Company selects the suppliers through a set of procedures, which are followed globally. Suppliers / vendors have to sign and follow the Federal-Mogul's Code of Conduct and Basic Working Conditions Policy for Suppliers posted at <http://www.federalmogul.com/en-US/Company/Pages/Policy-Documents.aspx>. Supplier Manual is also posted at <http://www.federalmogul.com/en-US/Company/Pages/Policy-Documents.aspx> which applies to all suppliers. In the opinion of the Management, the Company's sourcing is sustainable.
3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
 - (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
The Company engages local manufacturing suppliers located nearby its plants as needed. We have supplier development team that ensures monitoring of their performance based on the Company's standards and supporting them to improve performance by training, site visits, audits, etc.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, > 10%). Also, provide details thereof, in about 50 words or so.
Yes, the Company does have a mechanism to re-cycle the pistons and C. I. rings waste generated in the process.
With regard to pistons, approximately 97% of the waste generated in the process is being recycled and with regard to C. I. rings approximately 70% of the waste generated in the process is being recycled.
We do not get used products back from customers for recycling.
For waste, it is 5-10%. The company recycles waste as under:
 - 1) Water used in Chrome Scrubber is being reused back in the process for water make up.
 - 2) The Company has installed a grinding muck filtration unit where the coolant /neat cut oil is being filtered and reused back in the process
 - 3) The grinding muck is being pressed to reduce volume of waste generation

Principle 3

1. Please indicate the Total number of employees - 4066 (other than temporary/contractual/ casual employees)
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 1841
3. Please indicate the Number of permanent women employees - 22
4. Please indicate the Number of permanent employees with disabilities - 12
5. Do you have an employee association that is recognized by management - Yes
6. What percentage of your permanent employees is members of this recognized employee association? - 79.81%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

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

Sl. No.	Particulars	Bhiwadi Plant	Bangalore Plant	Patiala Plant	Head office
1.	Permanent Employees	100	99.53	88	85.71
2.	Permanent Women Employees	100	100	100	100
3.	Casual/Temporary/Contractual Employees	100	87.56	80	Nil
4.	Employees with Disabilities	Nil	Nil	Nil	Nil

Principle 4

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

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others ?
The Company's manual on "Code of Conduct and Basic Working Conditions for suppliers" supports the protection of human rights within the realm of its influence and is committed to the highest ethical standards. This Code of Conduct and Basic Working Conditions policy (the "Code of Conduct") represents the principles guiding the business practices of the Company. The Code of conduct is applicable on the Company, including its subsidiary company and Suppliers.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management ?
The Company received 4 complaints from shareholders only and all the complaints were satisfactorily resolved by the Management. There were no complaints received from other stakeholders.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others.
Yes, the Company extends the principle to group Companies.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc ? Y/N.
If yes, please give hyperlink for webpage etc.
Yes. The company has been taking initiatives to use alternate sources of energy, such as, wind energy, solar power & installation of LED lights
3. Does the Company identify and assess potential environmental risks ? Y/N

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

4. Does the company have any project related to Clean Development Mechanism ? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed ?
The Company supports the cleaning the environmental, however, the Company is not engaged in the projects for which clean development mechanism is adopted. The Company is supporting the Environment by way of using Wind and Solar energy.
5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
The company has not taken any other initiatives other than explained above.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported ?
Yes.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.) - Nil

Principle 7

1. Is your company a member of any trade and chamber or association ? If Yes, Name only those major ones that your business deals with:
The Company is member of American Chamber of Commerce only.
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good ? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
No, the Company has not advocated/lobbied through the above association for the advancement or improvement of public good. The CSR activities of the Company are specified in the CSR Report forming the part of the Directors' Report.

Principle 8

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8 ? If yes details thereof.
The Company is engaged in various corporate social responsibility activities viz. Promotion of Education, Preventive Health care, Rural Development Project, Employment Enhancing Vocational Skills, Women Empowerment directly or through various NGO's.
2. Are the programmes/ projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization ?
The programmes/ projects are undertaken through In house team and NGOs, both.
3. Have you done any impact assessment of your initiative ?
Yes, there has been positive impact of the initiatives being taken by the Company.
4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.
The Company's direct contribution to community development projects was Rs. 57.35 lacs during the last financial year. A report on CSR activities forms part of the attached Directors' Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community ? Please explain in 50 words, or so.
The Company during the year 2015-16, worked on Promotion of Education, Preventive Health care, Rural Development Project, Employment Enhancing Vocational Skills, Women Empowerment directly and/or through NGO's having specialization in the respective fields. The Board of Directors of the Company has constituted a CSR Committee, which reviews and approves the CSR projects in line with the CSR policy of the Company and the applicable provisions of Companies Act, 2013 and/or the rules frames thereunder from time to time. Each of the Projects as approved by the CSR Committee is regularly monitored so as to ensure that the community is benefitted from each of the said projects.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. - Nil
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)
The required information as per applicable laws is displayed on the product label.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
Nil
4. Did your company carry out any consumer survey/ consumer satisfaction trends ? Yes.

ANNEXURE - 10 TO DIRECTORS' REPORT

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

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

Name of Director	Designation	Ratio to median remuneration of the employees
Mr. Vinod Kumar Hans (Appointed as Whole-time Managing Director w.e.f. 1 st January 2016)	Whole-time Managing Director	20.31:1
Dr. Khalid Iqbal Khan (Appointed as Whole-time Director-Legal & Company Secretary w.e.f. 22 nd May 2015)	Whole-time Director-Legal & Company Secretary	12.12:1
Mr. Manish Chadha (Appointed as Finance Director w.e.f. 5 th February 2016)	CFO & Finance Director	14.36:1
Mr. Rajesh Sinha (Appointed as Whole-time Director w.e.f. 1 st January 2016)	Whole-time Director	18.75:1
Mr. Andreas Wilhelm Kolf (Ceased w.e.f. closing of business hours of 31 st December 2015)	Whole-time Managing Director	90.72:1
Mr. Sachin Selot (Ceased w.e.f. closing of business hours of 26 th May 2015)	Whole-time Finance Director & CFO	20.28:1

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

Designation	Name of Employee	% increase in remuneration
Mr. Vinod Kumar Hans (Appointed as Whole-time Managing Director w.e.f. 1 st January 2016)	Whole-time Managing Director	Not Applicable
Dr. Khalid Iqbal Khan (Appointed as Whole-time Director-Legal & Company Secretary w.e.f. 22 nd May 2015)	Whole-time Director-Legal & Company Secretary	15%
Mr. Manish Chadha (Appointed as Finance Director w.e.f. 5 th February 2016)	CFO & Finance Director	Not Applicable
Mr. Rajesh Sinha (Appointed as Whole-time Director w.e.f. 1 st January 2016)	Whole-time Director	Not Applicable
Mr. Andreas Wilhelm Kolf (Ceased w.e.f. closing of business hours of 31 st December 2015)	Whole-time Managing Director	Not Comparable
Mr. Sachin Selot (Ceased w.e.f. closing of business hours of 26 th May 2015)	Whole-time Finance Director & CFO	Not Comparable

(iii) the percentage increase in the median remuneration of employees in the financial year – 23.72%

(iv) the number of permanent employees on the rolls of Company – 4066

(v) the explanation on the relationship between average increase in remuneration and Company performance;

The Company has taken into account the individual's performance, based upon the goals set out for the financial year along with other factors viz. competitive market practices, Company's performance, inflation and cost of living etc.

- (iii) the percentage increase in the median remuneration of employees in the financial year – 23.72%
- (iv) the number of permanent employees on the rolls of Company – 4066
- (v) the explanation on the relationship between average increase in remuneration and Company performance;

The Company has taken into account the individual's performance, based upon the goals set out for the financial year along with other factors viz. competitive market practices, Company's performance, inflation and cost of living etc.

- (vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

Total Remuneration to Key Managerial Personnel (KMP) for the financial year 2015-16 (Rs. in lacs)	429.63
Income from operations (Net) (Rs. in lacs)	1,32,773.02
Total Remuneration of KMP as % to Revenue	0.324%
Profit before Tax (PBT) (Rs. in lacs)	7,180.15
Total Remuneration of KMP as % of PBT	5.98%

Remuneration of the Key Managerial Personnel is also based on individual's contribution in meeting targets of the Company as well as various other factors such as competitive market practices, inflation etc.

- (vii) (a) variations in the market capitalisation of the Company: (-) 24.05%
- (b) Price Earnings Ratio as at the closing date of the current financial year and previous financial year – **40.96 as on 31st March 2015 and 76.10 as on 31st March 2016.**
- (c) Percentage increase in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer – **The closing share price of the Company at Bombay Stock Exchange as on 31st March 2016 was Rs. 324/- per equity share whereas the last public offer was made by the Company by way of rights issue in 2008 at Rs. 56/- per equity shares. Therefore, percentage increase in the market quotation of the shares of the company in comparison to the rate at which the company came out with the last public offer is 5.79 times.**
- (viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration – **The average percentile increase was 18.40% in the salaries of employees other than the Managerial Personnel. However, the percentile increase in the managerial remuneration is not comparable as Whole-time Managing Director, CFO & Finance Director and Whole-time Director were appointed during the financial year 2015-16 only. The percentile increase in the remuneration of Whole-time Director-Legal & Company Secretary is 15%.**
- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;

Particulars	Amount (Rs. in lacs)
Revenue from operations (Net)	1,32,773.02
Profit before Tax (PBT)	7,180.15

Particulars	Mr. Vinod Kumar Hans (Appointed as Whole-time Managing Director w.e.f. 1st January 2016)	Dr. Khalid Iqbal Khan	Mr. Manish Chadha (Appointed as CFO w.e.f. 1st June, 2015)	Mr. Sachin Selot (Ceased w.e.f. closing of business hours of 26th May 2015)	Mr. Rajesh Sinha (Appointed as Whole-time Director w.e.f. 1st January 2016)	Mr. Andreas Wilhelm Kolf (Ceased w.e.f. closing of business hours of 31st December 2015)
Remuneration of KMP for the financial year 2015-16 (Rs. in lacs)	21.38	50.45	38.46	13.09	19.74	286.51
Remuneration of KMP as % to Revenue	0.016	0.038	0.029	0.010	0.015	0.216
Remuneration of KMP as % of PBT	0.298	0.703	0.536	0.182	0.275	3.990

- (x) the key parameters for any variable component of remuneration availed by the directors : The key parameters include, Net sales, EBIDTA, Operating Cash Flow, Safety, Customer Satisfaction and Delivery Performance.
- (xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; Not Applicable
- (xii) **It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.**

ANNEXURE-11 TO DIRECTORS' REPORT
Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name of Employee	Designation	Remuneration received	Nature of Employment (Contractual or otherwise)	Qualifications	Experience	Date of commencement Employment	Age (Years)	Last employment held before joining the Company	the percentage of equity shares held in the Company	whether a relative of any director or manager of the Company
A. Employed throughout the year and in receipt of remuneration not less than Rs. 60,00,000 per annum											
	Mr. Vinod Kumar Hans	Whole-time Managing Director	7387340	Contractual	B.E(Mech), PGDBM	29	1-Jul-08	50	GKN Driveline (India) Ltd.	Nil	No
	Mr.Alok Manaktala	Business Manager - Sealing and Gaskets & System Protection, Powertrain	6146525	Contractual	M.Sc, B.E, CPM, CIRM, CTL, CPM	21	12-Aug-09	44	Ceva Logistics india Pvt. Ltd	Nil	No
	Mr. Sreenivasan N V	Director - Information Services	7268400	Contractual	DEE, B.Tech, Fast Track Business Management Program	26	11-Jul-11	46	Areva T & D India Ltd.	Nil	No
B. Employed for a part of the year and in receipt of remuneration not less than Rs. 5,00,000 per month											
	Mr. Sanjeev Kumar Singh	Director - Aftermarket India, VCS	5540592	Contractual	B SC, MBA	20	15-Mar-04	46	Institute of Customer Relationship Management, iCRM)	Nil	No
	Mr. Andreas Wilhelm Kolf	Whole-time Managing Director	28650678	Contractual	First Law Exam and Second Law Exam	23	6-Nov-13	54	Federal-Mogul GmbH	Nil	No
	Mr. Sachin Selot	Whole-time Finance Director & CFO	1244217	Contractual	B.Com, AICWA,ACA	24	9-Sep-13	47	Timex Group	Nil	No

Notes:

1. Remuneration includes Basic salary, HRA, Special Allowance, Car Allowance, Leave Travel Allowance, Medical reimbursement, Leave Pay, actual expenditure on rent free accommodation and benefits and amenities, contribution to provident fund, gratuity fund and contribution to superannuation fund (if applicable).
2. All the above Appointments are contractual.
3. Management Incentive Plan for the financial year 2015-16 was paid during 2016-17.

AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Federal-Mogul Goetze (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

10. As required by Section 143(3) of the Act, we report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion, proper books of account as required by law have been kept by the

Company so far as it appears from our examination of those books;

c. the standalone financial statements dealt with by this report are in agreement with the books of account;

d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;

f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 13 May 2016 as per annexure B expressing our unmodified opinion on adequacy and operating effectiveness of the internal financial controls over financial reporting.

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

i. as detailed in Note 33 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;

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

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Walker Chandiok & Co LLP

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.:

001076N/N500013

per **Anamitra Das**

Partner

Membership No.:062191

Place: Gurgaon

Date: 13th May, 2016

Annexure to the Independent Auditor's Report of even date to the members of Federal-Mogul Goetze (India) Limited, on the financial statements for the year ended 31 March 2016
Annexure A

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

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

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

(c) The title deeds of all the immovable properties are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at

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

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

(iv) In our opinion the, Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.

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

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost

records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to 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, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Delhi VAT	Value added tax	196.00		2010-2011	Special Commissioner Objection Hearing
Delhi VAT	Value added tax	16.00		2009-2010	Special Commissioner Objection Hearing
Finance Act, 1994 (Service Tax)	Service tax	16.61		2009-2010	Joint Commissioner, Jaipur
Finance Act, 1994 (Service Tax)	Service tax	62.41		2008-2011	Assistant Commissioner, Bhiwadi, Rajasthan
Finance Act, 1994 (Service Tax)	Service tax	695.23		2008-2011	Central Excise and Service Tax Appellate Tribunal, Bengaluru
Finance Act, 1994 (Service Tax)	Service tax	96.11		2005-2011	Joint Commissioner of Central Excise, Patiala, Punjab
Finance Act, 1994 (Service Tax)	Service tax	19.18		2006-2007	Central Excise and Service Tax Appellate Tribunal, Chandigarh
Finance Act, 1994 (Service Tax)	Service tax	16.79		2011-2012	Honorable High Court of Karnataka
Finance Act, 1994 (Service Tax)	Service tax	5.81		2012-2013	Commissioner of Central Excise
Finance Act, 1994 (Service Tax)	Service tax	13.81		2009-2012	Commissioner (Appeals)
Finance Act, 1994 (Service Tax)	Service tax	18.12		2012-2013	Joint Commissioner (Appeals)

Name of the statute	Nature of dues	Amount (₹in lacs)	Amount paid under protest (₹in lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994 (Service Tax)	Service tax	10.70		2011-2013	Joint Commissioner (Appeals)
Finance Act, 1994 (Service Tax)	Service tax	86.44	25.00	2006-2007	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax	113.70		May 2005- July 2005	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax	134.00		2006-2011	Commissioner of Central Excise
Finance Act, 1994 (Service Tax)	Service tax	349.17		2015-2015	Commissioner of Central Excise
Finance Act, 1994 (Service Tax)	Service tax	294.00		2012-2013	Commissioner of Central Excise
Finance Act, 1994 (Service Tax)	Service tax	4.54		2012-2013	Deputy Commissioner, Patiala
Finance Act, 1994 (Service Tax)	Service tax	670.21		2008-2013	Commissioner Service Tax
Finance Act, 1994 (Service Tax)	Service tax	0.84		July 2011- February 2013	Assistant Commissioner of Central Excise
Rajasthan VAT	Value added tax	9.02		2007-2008	Honorable High Court of Rajasthan
Rajasthan VAT	Value added tax	19.68		2009-2010	Honorable High Court of Rajasthan
Income tax Act, 1961	Income tax	3.05		2000-2001	Honorable Supreme Court
Income tax Act, 1961	Income tax	72.68		2007-2008	Income tax appellate tribunal
Income tax Act, 1961	Income tax	68.45		2001-2002	Assessing Officer for Appeal Effect
Income tax Act, 1961	Income tax	11.60		2002-2003	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	12.39		2001-2002	Assessing Officer for Appeal Effect
Income tax Act, 1961	Income tax	85.17		1997-1998	Honorable High Court, Delhi
Income tax Act, 1961	Income tax	39.52		2005-2006	Assessing Officer for Appeal Effect
Income tax Act, 1961	Income tax	16.54		1995-1997	Honorable High Court, Delhi
Income tax Act, 1961	Income tax	66.55		1998-1999	Honorable Supreme Court
Income tax Act, 1961	Income tax	16.71		1998-1999	Honorable Supreme Court
Income tax Act, 1961	Income tax	1.52		1997-1998	Honorable High Court, Delhi
Income tax Act, 1961	Income tax	345.80		1997-1998	Honorable High Court, Delhi
Income tax Act, 1961	Income tax	0.52		2000-2001	Honorable Supreme Court
Income tax Act, 1961	Income tax	21.21		1999-2000	Honorable Supreme Court
Income tax Act, 1961	Income tax	17.65		1999-2000	Honorable Supreme Court
Income tax Act, 1961	Income tax	19.23		2004-2005	Assessing Officer for Appeal Effect
Income tax Act, 1961	Income tax	2.00		2004-2005	Assessing Officer for Appeal Effect
Income tax Act, 1961	Income tax	70.68		2008-2009	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Income tax	14.45		2008-2009	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Income tax	73.29		2008-2009	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Income tax	1.63		2008-2009	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Income tax	19.06		2009-2016	Income tax Officer
Income tax Act, 1961	Income tax	1.78		2009-2010	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Income tax	83.69		2009-2010	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Income tax	1.79		2009-2010	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Income tax	3.56		2004-2005	Assessing Officer for Appeal Effect
Income tax Act, 1961	Income tax	2.21		2002-2003	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	17.27		2000-2001	Honorable Supreme Court
Income tax Act, 1961	Income tax	2.00		2004-2005	Assessing Officer for final Order
Income tax Act, 1961	Income tax	19.22		2004-2005	Assessing Officer for final Order

Name of the statute	Nature of dues	Amount (₹in lacs)	Amount paid under protest (₹in lacs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	117.26		2011-2012	Assessing Officer for final Order
Income tax Act, 1961	Income tax	0.31		2011-2012	Assessing Officer for final Order
Income tax Act, 1961	Income tax	0.67		2011-2012	Assessing Officer for final Order
Income tax Act, 1961	Income tax	26.60		2011-2012	Assessing Officer for final Order
Income tax Act, 1961	Income tax	199.50		2010-2011	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	198.49		2011-2012	Assessing Officer for final Order
Income tax Act, 1961	Income tax	17.85		2011-2012	Income Tax Appellate Tribunal
Karnataka VAT Act	Value added tax	13.38		2008-2009	Joint Commissioner Appeal
Karnataka VAT Act, 2003	Value added tax	97.00	140.00	1996-2002	Honorable High Court of Karnataka
Karnataka VAT Act, 2003	Value added tax	278.51	55.00	2005-2006	Honorable High Court of Karnataka
Karnataka VAT Act, 2003 Taxes, Audit Bangalore,	Value added tax	293.00	89.60	2014-2015	Deputy Commissioner of Commercial
Karnataka VAT Act, 2003	Value added tax	1.36	1.38	2007-2008	Karnataka Appellate Tribunal
Rajasthan VAT	Value added tax	9.04	9.00	2009-2010	Commercial Tax Officer, Bhiwadi
Rajasthan VAT	Value added tax	388.80	7.00	2012-2013	Assistant Commissioner, Bhiwadi
Rajasthan VAT	Value added tax	2.15		2008-2009	Assistant Commissioner, Bhiwadi
Rajasthan VAT	Value added tax	0.03		2009-2010	Commercial Tax Officer, Bhiwadi
Orissa VAT Act	Value added tax	99.39		2012-2014	Joint Commissioner Appeal
Andhra Pradesh VAT	Value added tax	35.00		2013-2014	Deputy Commissioner, Appeal
The Central Excise Act, 1944	Duty of excise	76.42		2000-2003	Central Excise and Service Tax Appellate Tribunal, Chennai
The Central Excise Act, 1944	Duty of excise	189.48		2001-2006	Central Excise and Service Tax Appellate Tribunal.
The Central Excise Act, 1944	Duty of excise	5.03		2006-2007	Central Excise and Service Tax Appellate Tribunal.
The Central Excise Act, 1944	Duty of excise	3.19		2003-2004	Assistant Commissioner (Central Excise), Bhiwadi, Rajasthan
The Central Excise Act, 1944	Duty of excise	6.96		1998-1999	Joint Commissioner of Central Excise.
The Central Excise Act, 1944	Duty of excise	3.32		2001-2002	Additional Commissioner of Central Excise
The Central Excise Act, 1944	Duty of excise	2.54		1995-2004	Joint Commissioner of Central Excise, Patiala Punjab
The Central Excise Act, 1944	Duty of excise	9.34		1987-1990	Honorable High Court of Punjab and Haryana
The Central Excise Act, 1944	Duty of excise	14.02		2000-2001	Central Excise and Service Tax Appellate Tribunal, Delhi
The Central Excise Act, 1944	Duty of excise	15.13		2000-2002	Honorable Supreme Court
The Central Excise Act, 1944	Duty of excise	1.76		1997-1999	Assistant Commissioner of Central Excise, Patiala Punjab
The Central Excise Act, 1944	Duty of excise	1.86		1997-1998	Joint Commissioner of Central Excise, Patiala Punjab
The Central Excise Act, 1944	Duty of excise	8.34		2015-2016	Joint Commissioner, Gurgaon
The Central Excise Act, 1944	Duty of excise	29.45		2010-2014	Commissioner, Gurgaon
The Central Excise Act, 1944	Duty of excise	0.97		2014-2015	Commissioner, Appeals
UP VAT	Value Added Tax	82.78	40.00	2007-2008	Commissioner (Appeals), Ghaziabad

Name of the statute	Nature of dues	Amount (₹in lacs)	Amount paid under protest (₹in lacs)	Period to which the amount relates	Forum where dispute is pending
Karnataka Sales Tax	Value Added Tax	410.00	216.00	2007-2011	Assistant Commissioner of Commercial Taxes, Audit Bangalore,
UP VAT	Value Added Tax	32.68		2012-2013	Commissioner, Uttar Pradesh
Maharashtra VAT	Value Added Tax	30.19		2008-2009	Deputy Commissioner, Pune
Delhi VAT	Value Added Tax	613.93		2007-2008	Delhi – Commissioner
Delhi VAT	Value Added Tax	73.44		2008-2009	Delhi – Commissioner
Bihar VAT	Value Added Tax	25.66	16.50	2005-2006	Deputy Commissioner, Patna
West Bengal VAT	Value Added Tax	1.76		2006-2007	Commissioner (Appeals)
West Bengal VAT	Value Added Tax	1.18		2006-2007	Commissioner (Appeals)
West Bengal VAT	Value Added Tax	1.87		2004-2005	Commissioner (Appeals)
West Bengal VAT	Value Added Tax	1.56		2001-2002	Commissioner (Appeals)
VAT, Uttaranchal	Value Added Tax	66.77		2010-2011	Joint Commissioner Appeal
Wealth tax act, 1957	Wealth Tax	3.90		2006-2007	Commissioner Income Tax (Appeals)

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

For Walker Chandiok & Co LLP

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Anamitra Das**

Partner

Membership No.: 062191

Place : Gurgaon

Date : 13th May 2016

Annexure B to the Independent Auditor's Report of even date to the members of Federal-Mogul (Goetze) India, on the standalone financial statements for the year ended 31 March 2016

Annexure B

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

1. In conjunction with our audit of the standalone financial statements of Federal-Mogul (Goetze) India ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by

the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance

regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Walker Chandiok & Co LLP

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.:

001076N/N500013

per **Anamitra Das**

Partner

Membership No.:062191

Place: Gurgaon

Date: 13th May 2016

Federal-Mogul Goetze (India) Limited
Balance Sheet as at 31 March 2016

Rs. in lacs

	Notes	As at 31 March 2016	As at 31 March 2015
Equity and Liabilities			
Shareholders' funds			
Share capital	3	5,563.21	5,563.21
Reserves and surplus	4	43,477.39	39,514.26
		49,040.60	45,077.47
Non-current liabilities			
Long-term borrowings	5	3,722.22	722.22
Deferred tax liabilities (net)	6	912.92	433.98
Other long term liabilities	7	432.07	396.94
Long-term provisions	8	7,491.52	6,038.66
		12,558.73	7,591.80
Current liabilities			
Short-term borrowings	9	15,410.37	21,253.32
Trade payables	10	24,922.56	22,026.79
Trade Payables to micro enterprises and small enterprises	10	310.35	205.43
Other current liabilities	11	3,243.67	2,459.09
Short-term provisions	8	406.45	197.00
		44,293.40	46,141.63
Total		105,892.73	98,810.90
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	52,055.52	46,767.25
Intangible assets	12.1	-	-
Capital work-in-progress		3,191.91	5,642.20
Non-current investments	13	510.00	510.00
Long-term loans and advances	14	2,349.28	3,170.01
		58,106.71	56,089.46
Current assets			
Current investments	15	-	-
Inventories	16	19,635.00	19,790.14
Trade receivables	17	18,117.32	17,293.25
Cash and bank balances	18	4,348.41	977.21
Short-term loans and advances	19	5,159.97	4,163.41
Other current assets	20	525.32	497.43
		47,786.02	42,721.44
Total		105,892.73	98,810.90

Note 1 to 49 form an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

per **Anamitra Das**
Partner
Membership No.: 062191

Place: Gurgaon
Date: 13th May 2016

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

Vinod Kumar Hans
Whole Time Managing Director
DIN-03328309

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

Manish Chadha
Chief Finance Officer & Finance Director
DIN : 07195652

Federal-Mogul Goetze (India) Limited
Statement of Profit and Loss for the year ended 31 March 2016

		Rs. in lacs	
	Notes	31 March 2016 Year ended (12 months)	31 March 2015 Period ended (15 months)
Revenue			
Revenue from operations (gross)		146,298.06	166,709.55
Less: Excise duty		(13,525.04)	(13,056.65)
Revenue from operations (net)	21	132,773.02	153,652.90
Other income	22	3,543.17	3,742.53
Total Revenue		136,316.19	157,395.43
Expenses			
Cost of raw material and components consumed	23	45,646.15	55,112.52
Decrease/ (increase) in inventories	24	529.62	(3,326.78)
Purchase of traded goods	25	4,867.61	5,379.44
Employee benefit expense	26	28,461.26	31,949.53
Depreciation and amortisation expenses	27	7,517.68	8,937.31
Finance cost	28	2,841.75	3,696.85
Other expenses	29	39,271.97	50,900.83
Total expenses		129,136.04	152,649.70
Profit before tax for the year/ period		7,180.15	4,745.73
Tax expense			
Current tax		1,876.79	2,500.00
Tax pertaining to earlier years		198.49	200.00
Deferred tax		704.23	(1,089.81)
Total tax expenses		2,779.51	1,610.19
Profit for the year/ period		4,400.64	3,135.54
Earnings per equity share (Rs.)	30		
Basic and diluted [Nominal value of shares Rs. 10]		7.91	5.64

Note 1 to 49 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 **Anamitra Das**
 Partner
Membership No.: 062191

Place: Gurgaon
 Date: 13th May 2016

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

Vinod Kumar Hans
 Whole Time Managing Director
 DIN : 03328309

Manish Chadha
 Chief Finance Officer & Finance Director
 DIN : 07195652

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

Federal-Mogul Goetze (India) Limited
Cash flow statement for the year ended March 31, 2016

Rs. in lacs

	31 March 2016 year ended	31 March 2015 Period ended
A. Cash flow from operating activities		
Profit before tax and after prior period	7,180.15	4,745.73
Adjustments for:		
Depreciation and amortisation	7,517.68	8,937.31
Loss on sale / discard of fixed assets (net)	181.18	115.40
Provision for doubtful debts and advances	-	1,031.27
Excess liabilities written back	(1,431.85)	(1,186.51)
Provision for warranties	119.67	112.27
Bad debts / advances written off	185.22	160.30
Interest income	(124.81)	(138.62)
Dividend income	(446.25)	(357.00)
Interest expense	2,732.09	3,473.12
Unrealised forex (gain)/loss (net)	(202.44)	385.42
Operating profit before working capital changes	15,710.64	17,278.69
Movements in working capital:		
Increase in trade/other receivables	(1,978.49)	(1,409.62)
Decrease / (Increase) in inventories	155.16	(4,944.87)
Increase in trade/other payables	6,487.11	4,139.05
Cash generated from operations	20,374.42	15,063.25
Direct taxes paid (net of refunds)	(1,547.07)	(4,309.81)
Net cash from operating activities	18,827.35	10,753.44
B. Cash flows from investing activities		
Purchase of tangible fixed assets	(10,766.14)	(10,444.85)
Proceeds from sale of fixed assets	15.39	252.67
Movement in restricted cash	(197.76)	15.31
Movement in fixed deposits	-	0.25
Proceeds from sale of investments	-	876.44
Interest received	115.65	108.05
Dividends received	446.25	357.00
Net cash used in investing activities	(10,386.61)	(8,835.13)
C. Cash flows from financing activities		
Receipt of borrowings (Long term)	4,000.00	(611.11)
Payment of borrowings (Long term)	(666.67)	-
Movement in borrowings (Short term)	(5,842.95)	2,564.75
Interest paid	(2,757.68)	(3,471.98)
Net cash used in financing activities	(5,267.30)	(1,518.34)
Net increase in cash and cash equivalents (A + B + C)	3,173.44	399.97
Cash and cash equivalents at the beginning of the year	580.22	180.25
Cash and cash equivalents at the end of the year	3,753.66	580.22
Components of cash and cash equivalents as at	31 March 2016	31 March 2015
Cash and cheques on hand	0.14	0.01
With banks - on current account	3,753.52	580.21
- cash credit/overdraft		
- on unpaid dividend account		
	3,753.66	580.22

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

For Walker Chandio & Co. LLP
 (Formerly Walker Chandio & Co)
Chartered Accountants

 per **Anamitra Das**
 Partner

Membership No.: 062191

Place: Gurgaon

 Date: 13th May 2016

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

Whole Time Managing Director

DIN : 03328309

Khalid Iqbal Khan

Whole Time Director - Legal & Company Secretary

DIN : 05253556

Manish Chadha

Chief Finance Officer & Finance Director

DIN : 07195652

Summary of significant accounting policies and other explanatory notes

1. a) Corporate information

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

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

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

The accounting policies adopted in the preparation of financial statements 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 year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized in the current and future periods.

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

Tangible fixed assets except for leasehold land are depreciated on straight line method

Depreciation has been provided in accordance with useful lives prescribed in the Companies Act 2013 except for certain fixed assets where useful lives has been assessed based on technical evaluation after considering the expected usage of assets, operational factors, technological changes and maintenance practice etc. The following are the rates used by the Company which are different from Schedule II.

Asset Class	Rates used by the Company
Plant & Machinery	5 to 21 years

In respect of assets whose useful lives has been revised, the unamortised depreciable amount is charged over the revised remaining useful lives of the assets.

Leasehold land is amortised over the period of lease.

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 Profit and Loss account on a straight-line basis over the lease term.

Summary of significant accounting policies and other explanatory notes

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 shareholders' right to receive payment is established by the balance sheet date.

v) Commission:

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

vi) Export Benefits/Incentives:

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

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.

Summary of significant accounting policies and other explanatory notes

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 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 realized. 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 unrecognised deferred tax assets. It recognises unrecognised 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

Summary of significant accounting policies and other explanatory notes

created by way of a credit to the profit and loss account 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 year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

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 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 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.

3. Share capital

Particulars	Rs. in lacs	
	As at 31 March 2015 Amount	As at 31 March 2016 Amount
Authorized shares		
80,000,000 (Previous period: 80,000,000) equity shares of Rs. 10/- each.	8,000.00	8,000.00
	8,000.00	8,000.00
Issued, subscribed and fully paid-up shares		
55,632,130 (Previous period: 55,632,130) equity shares of Rs.10/- each	5,563.21	5,563.21
	5,563.21	5,563.21

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

b) Right/restriction attached to equity shares.

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

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

Name of the shareholder*	31 March 2016		31 March 2015	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Federal Mogul Holding Limited, Mauritius, the Holding company	33,408,581	60.05%	33,408,581	60.05%
Federal Mogul Vermögensverwaltungs GMBH, a Fellow subsidiary company	8,306,873	14.93%	8,306,873	14.93%
Reliance capital Trustee Company Limited	5,479,189	9.85%	5,479,189	9.85%

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

(d) Shares held by Holding/ Ultimate Holding Company and/ or their subsidiaries/ associates

Equity shares of Rs 10 each fully paid				
Federal Mogul Holding Limited, Mauritius, the Holding company	33,408,581	60.05%	33,408,581	60.05%
Federal Mogul Vermögensverwaltungs GMBH, a fellow subsidiary company	8,306,873	14.93%	8,306,873	14.93%

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

4. Reserves and surplus

Rs. in lacs

	As at 31 March 2016	As at 31 March 2015
Capital redemption reserve	1,000.00	1,000.00
Capital reserve	56.55	56.55
Capital subsidy	1.12	1.12
Securities premium account	26,750.74	26,750.74
Surplus in the Statement of Profit and Loss		
Opening balance	11,705.85	8,570.31
Add: Profit for the year/ Period	4,400.64	3,135.54
	16,106.49	11,705.85
Less: Impact of revision of useful lives of various fixed assets (Amount net of deferred tax of Rs.225.29 lacs).	(437.51)	-
Closing balance	15,668.98	11,705.85
	43,477.39	39,514.26

5. Long-term borrowings

Term loans

Indian rupee loan from banks (secured)	3,722.22	722.22
	3,722.22	722.22

1A) Indian rupee loan amounting to Rs 2,000 lacs from Yes Bank in two tranches of Rs 1,000 lacs each taken on May 31, 2013 and June 28, 2013 respectively carries interest @ 11.70% p.a. Both tranches are repayable in 36 equal monthly installments of Rs. 27.77 lacs each along with interest after moratorium period of 12 months from the date of the disbursement of loan, viz., May 31, 2014 and June 28, 2014 respectively. The loan is secured by first parri passu charge on moveable assets of the Company including plant and machinery, spares, tools and accessories, furniture and fixtures and other moveable assets of the Company, excluding vehicles.

B) Indian rupee loan amounting to Rs 4,000 lacs from Yes Bank in two tranches of Rs 2,000 lacs each taken on Dec 22, 2015 and Dec 31, 2015 respectively carries interest @ 10.40% p.a. Both tranches are repayable in 36 equal monthly installments of Rs. 55.55 lacs each along with interest after a moratorium period of 12 months from the date of the disbursement of loan, viz., Dec 22, 2016 and Dec 31, 2016 respectively. The loan is secured by first parri passu charge on moveable assets of the Company including plant and machinery, spares, tools and accessories, furniture and fixtures and other moveable assets of the Company, excluding vehicles.

2. Current maturities of long term borrowings amounting to **Rs. 1,000 lacs** (Previous period: Rs. 666.67 lacs) are included under the head 'Other current liabilities'. (refer note 11).

6. Deferred tax liabilities (net)

	As at 31 March 2016	Rs. in lacs As at 31 March 2015
Deferred tax liabilities		
Impact of difference between depreciation as per tax books and depreciation charged for the financial reporting	4,037.19	3,649.38
	4,037.19	3,649.38
Deferred tax assets		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis		
Provision for employees benefits	2,167.80	1,866.76
Royalty expenses	-	619.74
Provision for doubtful debts and advances	77.76	51.22
Provision for contingencies	470.70	313.47
Provision for EHS	149.37	120.68
Others	258.64	243.53
	3,124.27	3,215.40
Deferred tax liabilities (net)	912.92	433.98

7. Other long-term liabilities

Trade deposits*	432.07	396.94
	432.07	396.94

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

8. Provisions

	Long term		Short term	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits				
Provision for gratuity (refer Note no. 37)	4,752.95	3,981.20	-	-
Provision for compensated absences	914.28	780.18	166.44	136.46
Provision for bonus	-	-	240.01	60.54
	5,667.23	4,761.38	406.45	197.00
Other provisions				
Provision for regulatory matters (refer note (a) below)	1,824.29	1,277.28	-	-
	1,824.29	1,277.28	-	-
	7,491.52	6,038.66	406.45	197.00
Note (a)				
Provision for regulatory matters (refer note no. 44)				
Opening balance	1,277.28	1,213.31		
Provision made during the period	852.51	1,204.99		
Utilised during the period	(305.50)	(1,141.02)		
Closing balance	1,824.29	1,277.28		

9. Short-term borrowings

	Rs. in lacs	
	As at 31 March 2016	As at 31 March 2015
Secured		
Working capital loans (refer note (a))	6,500.00	6,600.00
Cash credit facilities from banks (refer note (a))	685.46	2,719.39
	7,185.46	9,319.39
Unsecured		
Inter-corporate deposit (refer note (b))	4,214.99	8,815.00
Working capital loan (refer note (c))	4,009.92	3,118.93
	8,224.91	11,933.93
Total	15,410.37	21,253.32

Note (a)

- i. Indian rupees working capital loans and cash credit facilities are secured against hypothecation of current assets of the company, both present and future with HDFC, Yes Bank, Kotak Mahindra Bank, State Bank of India and Deutsche Bank.
- ii. Cash credit facilities carries interest rate range of 9.50% to 11.50% p.a. Details of working capital loans is as follows:
- iii. Details of working capital loans^a

Name of the bank	Amount of loan	Date of repayment	Interest rate
Kotak Mahindra Bank	2,800.00	6 April 2016	10.05%
State Bank of India	1,200.00	30 April 2016	10.10%
HDFC	2,000.00	4 April 2016	9.80%
HDFC	500.00	16 April 2016	9.80%
	6,500.00		

Note (b): Inter-corporate deposits are repayable on demand and carry rate of interest 9.50 % p.a

Note (c): Balance as on 31 March 2016 includes unsecured loan from HDFC of Rs 2,000 lacs carrying interest rate of 9.8% p.a, repayable in April, 2016. During the year, Company has also taken Export Packing Credit Loan from Bank of America at interest rate of 6.25% p.a., repayable in May, 2016.

10. Trade payables

	Rs. in lacs	
	As at 31 March 2016	As at 31 March 2015
Due to micro, medium and small enterprises (refer Note no.42 for details of dues to micro and small enterprises)	310.35	205.43
Due to subsidiary (Refer Note No. 34 for details)	2,907.21	2,758.84
Due to others (including acceptances)	22,015.35	19,267.95
	25,232.91	22,232.22

11. Other current liabilities

Current maturities of long-term borrowings (refer note no.5)	1,000.00	666.67
Interest accrued and due on term borrowings	43.04	14.95
Interest accrued and due on inter corporate deposits	27.01	68.37
Interest accrued but not due on borrowings	76.25	88.57
Advance from customers	171.22	102.66
Statutory liabilities	1,926.15	1,517.87
	3,243.67	2,459.09

12. Tangible assets

	Rs. in lacs						
	Freehold land	Leasehold land	Building	Furniture and fittings and office equipment	Plant and machinery	Vehicles	Total tangible assets
Gross block							
At 1 January 2014	1,485.16	362.87	9,677.02	1,515.78	83,089.68	268.10	96,398.62
Additions	-	-	257.63	225.59	8,143.79	53.95	8,680.95
Disposals	-	-	62.42	116.64	1,632.92	17.26	1,829.24
At 31 March 2015	1,485.16	362.87	9,872.23	1,624.73	89,600.55	304.79	103,250.33
At 1 April 2015	1,485.16	362.87	9,872.23	1,624.73	89,600.55	304.79	103,250.33
Additions	-	-	448.29	103.67	13,014.82	47.82	13,614.60
Disposals	-	-	13.05	94.32	1,976.44	19.89	2,103.70
At 31 March 2016	1,485.16	362.87	10,307.47	1,634.08	100,638.93	332.72	114,761.23
Depreciation							
At 1 January 2014	-	27.85	3,581.73	849.10	44,366.47	181.80	49,006.95
Charge for the period	-	-	409.10	100.20	8,385.92	42.09	8,937.31
Disposals / Adjustments	-	27.85	27.08	50.51	1,351.53	4.21	1,461.18
At 31 March 2015	-	-	3,963.75	898.79	51,400.86	219.68	56,483.08
At 1 April 2015	-	-	3,963.75	898.79	51,400.86	219.68	56,483.08
Impact of revision of useful lives of various fixed assets*	-	-	163.29	129.74	368.90	0.87	662.80
Charge for the year	-	-	317.86	116.98	7,065.93	16.91	7,517.68
Disposals	-	-	5.77	90.92	1,852.69	8.47	1,957.85
At 31 March 2016	-	-	4,439.13	1,054.59	56,983.00	228.99	62,705.71
Net block							
At 31 March 2015	1,485.16	362.87	5,908.48	725.94	38,199.69	85.11	46,767.25
At 31 March 2016	1,485.16	362.87	5,868.34	579.49	43,655.93	103.73	52,055.52

***Note:** The estimated useful lives of certain fixed assets have been revised in accordance with Schedule-II to Companies Act, 2013, with effect from April 1, 2015. Pursuant to the above mentioned changes, in useful life of the assets, the depreciation expenses for the year is higher by INR 468.90 lacs for the assets whose useful life is Nil as on March 31, 2016, the net book value of INR 437.51 lacs (net of deferred tax INR 225.29 lacs) has been adjusted with Reserve and surplus.

12.1 Intangible assets

		Rs. in lacs
	Designs and drawings and patents and trademarks	Total intangible assets
Gross block		
At 1 January 2014	712.11	712.11
Additions	-	-
Disposals	-	-
At 31 March 2015	712.11	712.11
At 1 April 2015	712.11	712.11
Additions	-	-
Disposals	-	-
At 31 March 2016	712.11	712.11
Depreciation		
At 1 January 2014	712.11	712.11
Charge for the year	-	-
Disposals	-	-
At 31 March 2015	712.11	712.11
At 1 April 2015	712.11	712.11
Charge for the year	-	-
Disposals	-	-
At 31 March 2016	712.11	712.11
Net block		
At 31 March 2015	-	-
At 31 March 2016	-	-

13. Non-current investments	Rs. in lacs
	As at
	As at
	31 March 2016
	31 March 2015
Trade investments unquoted (valued at cost unless stated otherwise)	
Investment in Subsidiary	
(i) Equity shares	
5,100,000 (Previous period : 5,100,000) equity shares of Rs. 10/- each in Federal-Mogul TPR (India) Ltd.	510.00
	510.00
Non-trade investments, unquoted (valued at cost unless stated otherwise)	
(i) Government securities*	
National savings certificates	1.32
Less: Provision for diminution in value of investment	(1.32)
	-
(ii) Equity shares	
923,000 (Previous Year: 923,000) equity shares of Rs 5 each fully paid in GTZ Securities Limited	46.15
Less: Provision for diminution in value of investment	(46.15)
	-
(iii) Preference shares	
1,00,000 (Previous Year : 100,000) 6% redeemable cumulative preference shares in Nanz Food Products Limited of Rs. 10/-each	10.00
Less: Provision for diminution in value of investment	(10.00)
	-
	510.00
	510.00
Aggregate amount of unquoted investment	567.47
*Deposited with government authority	-
	-
14. Long-term loans and advances	
Capital advances (Unsecured, considered good)	718.31
Prepaid expenses	10.76
Advance tax (net of provision of tax Rs.7,346.10 lacs (Previous period: Rs. 5,270.82 lacs)).	340.74
Security deposits (Unsecured, considered good)	1,279.47
Less: Provision for doubtful security deposits	-
	2,349.28
	3,170.01

15. Current investments

	As at 31 March 2016	Rs. in lacs As at 31 March 2015
At lower of cost and fair value, unless stated otherwise		
Unquoted equity shares		
3,889,600 (Previous period: 3,889,600) equity shares of Rs 5 each, fully paid in GI Power Corporation Limited (refer note no 47)	194.48	194.48
Less: Provision for diminution in the value of investment	(194.48)	(194.48)
	-	-

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

Raw materials and components (including stock in transit Rs. 484.94 lacs (Previous period: Rs. 256.53 lacs))	3,180.79	2,835.34
Work-in-progress	5,732.54	6,054.23
Finished goods	7,944.54	8,521.61
"Traded goods (including stock in transit Rs. 237.60 (Previous period: 61.44 lacs))	1,387.99	1,013.54
Stores and spares (including stock in transit Rs. 215.25 (Previous period: Nil))	1,387.02	1,357.99
Reusable scrap	2.12	7.43
Total	19,635.00	19,790.14

17. Trade receivables

Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	49.82	-
Unsecured, considered doubtful	121.63	150.68
	171.45	150.68
Less: Provision for doubtful debts	(121.63)	(150.68)
	49.82	-
Outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	432.07	396.95
Unsecured, considered good	17,635.43	16,896.30
	18,067.50	17,293.25
	18,117.32	17,293.25

18. Cash and bank balances

Rs. in lacs

	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents		
Cash in hand	0.14	0.01
Balances with scheduled banks:		
Current accounts ¹	3,753.52	580.21
	3,753.66	580.22
Other bank balances		
Balances with bank held as margin money		
Deposits with original maturity for more than 3 months but less than 12 months (Pledged with Government authorities)	594.75	396.99
	594.75	396.99
	4,348.41	977.21

19. Short-term loans and advances

Advances recoverable in cash or kind		
Unsecured, considered good	1,792.89	1,527.64
Unsecured, considered doubtful	107.14	297.40
Less: Provision for doubtful advances	(107.14)	(297.40)
	1,792.89	1,527.64
Security deposit		
Unsecured, considered good	19.30	19.30
Other loans and advances		
Balance with statutory/government authorities	2,768.52	2,139.16
Prepaid expenses	579.26	477.31
	3,347.78	2,616.47
	5,159.97	4,163.41

20. Other current assets

Unsecured considered good unless stated otherwise		
Earnest money deposit	13.32	9.53
Fixed assets held for disposal (at lower of net book value and estimated net realisable value)	2.78	53.52
Interest accrued but not due on deposits	72.94	63.77
Export incentive receivable	396.32	370.61
Insurance claim receivable	39.96	-
	525.32	497.43

21. Revenue from operations (net)

	31 March 2016	Rs. in lacs
	Year ended	31 March 2015
		Period ended
Sale of products		
Finished goods	136,356.24	154,571.91
Traded goods	6,321.57	6,954.14
Other operating revenue		
Job work income	1,480.94	1,792.50
Export incentives	517.46	477.83
Scrap sales	1,621.85	2,913.17
Revenue from operations (gross)	146,298.06	166,709.55
Less: Excise duty	(13,525.04)	(13,056.65)
Revenue from operations (net)	132,773.02	153,652.90

Details of finished goods sold

Piston rings	39,120.35	44,488.47
Pistons and pistons pins	88,183.00	98,904.52
Valve train	8,517.89	10,435.92
Structural components	535.00	743.00
Total	136,356.24	154,571.91

Details of traded goods sold

Gasket	1,391.93	0.86
Engine bearings	745.32	1,056.90
Spark plugs	1,751.84	2,789.39
Liners	426.72	850.58
Brake lining	722.85	912.70
Others	1,282.91	1,343.71
Total	6,321.57	6,954.14

22. Other income

Interest income on		
Fixed deposits with banks	33.21	47.03
Others	91.60	91.59
Management support income	809.65	1,009.27
Dividend income on		
Investment in subsidiaries	446.25	357.00
Commission income	380.10	527.27
Foreign exchange fluctuation (net)	181.38	-
Excess liabilities written back	1,431.85	1,186.51
Miscellaneous income	169.13	523.86
	3,543.17	3,742.53

23. Cost of raw material and components consumed

	31 March 2016	Rs. in lacs
	Year ended	31 March 2015
		Period ended
Aluminium	11,489.03	18,707.74
Pin steel	1,211.61	3,620.94
Silicon	2,054.84	2,323.81
Iron powder	2,227.97	2,974.15
Bought out pistons	2,899.29	1,928.49
Bought out rings	10,048.39	9,525.52
Others	15,715.02	16,031.87
	45,646.15	55,112.52

24. Decrease/ (increase) in inventories

	31 March 2016	31 March 2015	(Increase) /
	Year ended	Period ended	Decrease
Opening stock			
Work-in-progress	6,054.23	4,463.39	(1,590.84)
Finished products	8,521.61	6,897.75	(1,623.86)
Trading goods	1,013.54	886.29	(127.25)
Reusable scrap	7.43	22.60	15.17
	15,596.81	12,270.03	(3,326.78)
Less: Closing stock			
Work-in-progress	5,732.54	6,054.23	321.69
Finished products	7,944.54	8,521.61	577.07
Trading goods	1,387.99	1,013.54	(374.45)
Reusable scrap	2.12	7.43	5.31
	15,067.19	15,596.81	529.62
	529.62	(3,326.78)	

25. Purchase of traded goods

	31 March 2016	31 March 2015
	Year ended	Period ended
Engine bearings	573.89	817.79
Spark plugs	1,348.92	2,158.70
Liners	328.58	658.05
Brake lining	556.59	705.96
Gasket	1,071.78	0.66
Others	987.85	1,038.28
	4,867.61	5,379.44

26. Employee benefit expenses

	31 March 2016	Rs. in lacs
	Year ended	31 March 2015
		Period ended
Salaries, wages and bonus	23,024.94	26,449.01
Contribution to provident and other funds	1,456.93	1,699.27
Contribution to superannuation fund	120.60	184.01
Gratuity expense (refer note no. 37)	1,605.80	583.65
Staff welfare expenses	2,252.99	3,033.59
	28,461.26	31,949.53

27. Depreciation and amortisation expense

Depreciation of tangible assets	7,517.68	8,937.31
	7,517.68	8,937.31

28. Finance cost

Interest		
-to banks	1,902.52	1,648.02
-to others	829.57	1,825.10
Bank charges	109.66	223.73
	2,841.75	3,696.85

29. Other expenses

Consumption of stores and spares	11,540.10	14,966.00
Sub-contracting expenses	1,864.21	2,844.79
(Decrease) / Increase in excise duty on inventory	(72.13)	11.65
Power and fuel	8,418.45	9,961.80
Freight and forwarding charges	2,214.25	2,194.18
Rent (refer note no.35)	258.71	501.87
Rates and taxes	629.92	1,556.71
Insurance	170.49	173.91
Repairs and maintenance		
Plant and machinery	493.72	619.98
Buildings	177.52	410.75
Others	769.50	712.71
Advertising and sales promotion	5,909.31	7,027.78
Management support charges (refer note no.45)	581.32	774.68
Royalty	1,905.32	2,134.64
Provision for warranties (net of reversals)	119.67	112.27
Travelling and conveyance	715.95	1,047.48
Communication costs	155.56	223.20

	31 March 2016	Rs. in lacs
	Year ended	31 March 2015
		Period ended
Corporate social responsibility expense (refer note no.48)	57.36	63.30
Printing and stationery	94.49	127.01
Legal and professional fees	754.36	812.61
Cash discounts (net)	159.26	163.62
Auditors remuneration (Refer details below)*	51.08	56.49
Foreign exchange fluctuation (net)	-	503.34
Bad debts / advances written off	185.22	160.30
Provision for doubtful debts and advances	-	1,031.27
Loss on sale of fixed assets (net)	181.18	115.40
Environmental maintenance and remediation	703.00	1,288.72
Miscellaneous expenses	1,234.15	1,304.37
	39,271.97	50,900.83

Auditors remuneration*

-Statutory audit fee	25.00	23.86
-Limited reviews	18.00	18.00
-Tax audit fee	1.25	2.25
-Out of pocket expenses	6.83	12.38
	51.08	56.49

30. Earnings per share

The following reflects the profit and share data used in the basic and diluted EPS computations

Profit for the year as per Statement of Profit and Loss	4,400.64	3,135.54
Weighted average number of equity shares	55,632,130	55,632,130
Nominal value of shares (Rs.)	10.00	10.00
Earning per share - basic and diluted	7.91	5.64

31. Segment Information

Based on the guiding principles given in AS-17 'Segmental Reporting' notified under section 133 of the Companies Act 2013, read to together with Company (Accounts) Rules, 2014, 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

Particulars	Rs. in lacs	
	31 March 2016 Year Ended	31 March 2015 Period Ended
India	112,441.12	129,615.42
Other countries	16,711.65	18,853.98
	129,152.77	148,469.40

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

Particulars	As at	
	31 March 2016	31 March 2015
India	14,664.26	13,389.42
Other countries	3,453.06	3,903.83
	18,117.32	17,293.25

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

32. Capital and other commitments

Total estimated amount of contracts, remaining to be executed on capital account and not provided for as at 31 March 2016 is **Rs 1,392.81 lacs** (31 March 2015 Rs 1,853.51 lacs).

33. Contingent liabilities

Particulars	Rs. in lacs	
	As at 31 March 2016	As at 31 March 2015
(i) Excise duty		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeal and show cause notices/ orders on the same issues for other periods	218.63	218.63
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	149.18	111.39
(c) Show cause notices on issues yet to be adjudicated	-	-
Total	367.81	330.02
(ii) Service tax		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeal and show cause notices/ orders on the same issues for other periods	-	-
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	2,607.00	3,721.41
(c) Show cause notices on issues yet to be adjudicated	-	-
Total	2,607.00	3,721.41

		Rs. in lacs	
(iii) Sales tax			
Particulars	As at 31 March 2016	As at 31 March 2015	
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeal and show cause notices/ orders on the same issues for other periods	28.70	-	
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	2,759.45	2,250.91	
(c) Show cause notices on issues yet to be adjudicated	-	-	
Total	2,788.15	2,250.91	
(iv) Income tax			
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals	209.47	209.47	
(b) Cases pending before Appellate authorities/ Dispute resolution panel in respect of which the Company has filed appeals	566.63	571.76	
(c) Show cause notices on issues yet to be adjudicated	40.28	19.06	
Total	816.38	800.29	
(v) Others			
(a) Bank guarantees	1,023.57	596.25	
(b) Employee related cases	321.14	286.05	
(c) Electricity demand	52.24	52.24	
Total	1,396.95	934.54	

34. Related Party Transactions

(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. Vinod Kumar Hans, Managing Director (w.e.f January 1, 2016)

- Mr. Andreas Wilhelm Kolf, Managing Director (resigned on December 31, 2015)

- Mr. Manish Chadha, CFO and Director (CFO : w.e.f June 1, 2015 and Director: w.e.f Feb 5, 2016)

- Mr. Rajesh Sinha, Additional Director (w.e.f January 1, 2016)
- Mr. Sachin Selot, CFO and Whole Time Director (resigned on May 22, 2015)
- Mr. Khalid Iqbal Khan, Whole Time Director (w.e.f May 22, 2015) and Company Secretary

(c) Fellow and step fellow subsidiaries

- Federal Mogul Burscheid GMBH, Germany
- Federal Mogul Nurnberg, GMBH (Germany)
- Federal Mogul Holding Deutschland (Germany)
- Federal Mogul Limited (U.K.)
- Federal Mogul Financial Services FRANCTNL (France)
- Federal Mogul Gorzyce, S.A. (Poland)
- Federal Mogul Friedberg, GMBH (Germany)
- Federal Mogul Sintered Products 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 Anand Bearings India Ltd (India)
- Federal-Mogul Ignition Products India Ltd (India)
- Federal-Mogul Motorparts Ltd. (India)
- Federal-Mogul Powertrain Solutions India Private Limited (India)
(Formerly known as Federal-Mogul PTSB India Pvt. Ltd. (India))
- Federal Mogul Anand Sealing India Limited (India)
- Motocare India Private Limited (India).

Those transactions along with related balance as at 31 March 2016 and 31 March 2015 are presented in the following table.

(Rs in lacs)

Particulars	Ultimate Holding Company Federal Mogul Corporation (USA)	
	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015
Sales	(6,838.87)	(7,976.09)
MOQ income	(6.53)	(134.90)
Purchase/(Sale) of fixed assets	-	(0.51)
Purchase of raw material	69.37	49.78
Reimbursement of expenses paid	27.23	95.45
Reimbursement of expenses (received)	(108.94)	(141.52)
Balance outstanding as at the end of the year (payables)	(19.36)	(34.86)
Balance outstanding as at the end of the year receivables	1,602.15	1,935.95

(Rs in lacs)

Particulars	Fellow Subsidiaries							
	Federal-Mogul Bradford Limited (Germany)		Federal-Mogul Burscheid GMBH, (Germany)		Federal-Mogul Gorzeye S.A (Poland)		Federal-Mogul Dongsuh Piston Co.Ltd. (China)	
	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015
Sales	-	-	(88.97)	(6.64)	-	-	-	-
Purchase of raw material	1,312.65	1,285.77	1,093.24	2,712.41	17.66	0.98	-	-
Purchase / (Sale) of Fixed Assets	-	-	2,270.69	1,023.38	-	-	-	-
Reimbursement of expenses paid	(0.90)	-	11.37	6.26	-	0.17	-	-
Reimbursement of expenses (received)	4.12	-	-	(1.36)	-	-	-	-
Service Income	-	-	-	-	-	-	-	(254.62)
Royalty Expenses	-	-	786.83	626.69	-	-	-	-
Balance outstanding as at the end of the year (payables)	(314.38)	(192.43)	(1,230.76)	(930.62)	(17.34)	-	-	-
Balance outstanding as at the end of the year receivables	-	-	54.96	-	-	-	238.58	212.24

(Rs in lacs)

Particulars	Fellow Subsidiaries							
	Federal-Mogu Nurnberg, GMBH (Germany)		Federal-Mogu Thailand Manufacturing Ayutthaya (Thailand)		Federal-Mogu Holding Deutschland (Germany)		Federal-Mogu Friction Products Ltd. (Thailand)	
	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015
Sales	(19.18)	(3.62)	(2,348.77)	(2,625.70)	-	-	-	-
Purchase of raw material	140.13	399.28	-	-	-	-	-	1.80
Purchase / (Sale) of Fixed Assets	51.21	674.10	-	-	-	-	-	-
Management Support charges paid	-	-	-	-	579.87	774.70	-	-
Reimbursement of expenses paid	4.81	4.44	-	-	-	-	-	1.02
Reimbursement of expenses (received)	3.90	-	-	-	-	15.34	-	(1.02)
Royalty Expense	731.15	884.91	-	-	-	-	-	-
Balance outstanding as at the end of the year (payable)	(714.47)	(1,049.45)	-	-	(348.41)	(215.06)	(1.80)	(1.80)
Balance outstanding as at the end of the year receivables	-	-	60.93	451.47	-	-	-	-

(Rs in lacs)

Particulars	Fellow subsidiaries			
	Federal Mogul Sintered Products Limited, (U.K)		Other fellow subsidiaries	
	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015
Sales	-	(40.80)	(611.92)	(611.83)
Purchase of raw material	34.08	7.19	119.39	26.15
Purchase / (Sale) of Fixed Assets	-	89.87	238.18	-
Trade Mark & license fees	-	-	144.56	127.48
Reimbursement of expenses paid	(0.48)	-	1.96	3.65
Reimbursement of expenses (received)	(0.19)	(0.09)	(2.23)	(1.02)
Royalty Expense	256.53	366.18	-	-
Balance outstanding as at the end of the year (payable)	(92.41)	(76.32)	(54.31)	(136.73)
Balance outstanding as at the end of the year receivables	-	-	82.48	454.80

(Rs in lacs)

Particulars	Fellow subsidiaries											
	Federal Mogul Anand Bearings India Ltd. (India)		Federal Mogul Ignition Products India Ltd. (India)*		Federal Mogul Motorparts India Ltd. (India)**		Federal Mogul Powertrain Solutions India Private Ltd.		Motocare India Private Ltd. (India)		Federal Mogul Anand Sealing India Limited	
	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015
Sales (including excise duty)	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of raw material, intermediaries and finished goods	417.25	697.64	1,269.07	2,500.21	506.97	910.65	(2.21)	-	-	-	1,778.44	-
Reimbursement of expenses paid	15.23	672.49	3.07	76.41	15.54	4.59	32.07	19.20	40.85	-	1.09	-
Reimbursement of expenses (received)	(163.79)	(1,133.15)	(74.04)	(491.29)	(24.14)	(95.85)	(518.81)	(382.96)	-	-	(26.87)	-
Inter-corporate deposit (ICD) Taken	-	-	-	100.00	-	-	1,000.00	2,000.00	-	-	-	-
Inter-corporate deposit (ICD) repaid	-	-	-	(500.00)	-	-	(4,500.00)	(2,700.00)	-	-	-	-
Interest on the above ICD	-	-	(156.70)	247.19	-	-	(36.74)	687.67	-	-	-	-
Balance outstanding as at the end of the year (payable)	(155.63)	(109.70)	1,609.83	(1,908.91)	(34.40)	(11.88)	(681.40)	(4,189.36)	(40.85)	-	(236.30)	-
Balance outstanding as at the end of the year receivables	-	-	-	-	-	-	52.02	24.18	60.11	-	-	-

* Federal Mogul Ignition Products India Limited (India), payables includes **Rs 1,525 lacs** (Previous year Rs 1,525 lacs) payable against Inter corporate deposits taken and **Rs. 12.24 lacs** (Previous year Rs 12.24 lacs) payable against the interest on the same.
 ** Federal Mogul Powertrain Solutions India Private Ltd, payables includes **Rs 679.99 lacs** (Previous year Rs 4,180 lacs) payable against Inter corporate deposits taken and **Rs 1.41 lacs** (Previous year Rs 33.55 lacs) payable against the interest on the same.

(Rs in lacs)

Key Managerial Personnel								
Particulars	Mr Vinod Kumar Hans		Mr Andreas Wilhelm Kolf		Mr Sachin Selot		Mr Manish Chadha	
	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015
Remuneration	28.05	-	297.00	576.95	12.44	122.01	44.96	-

Key Managerial Personnel						
Particulars	Mr Khalid Iqbal Khan		Mr Rajesh Sinha		Total	
	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015
Remuneration	57.09	68.69	19.74	-	459.29	767.65

Note: Above remuneration details for current year are related for 12 months and previous year for 15 months from January 2014 till March 2015.

(Rs in lacs)

Particulars	Subsidiaries Federal-Mogul TPR India Limited	
	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015
Sales	1,194.64	1,637.14
Purchase of raw material	8,212.97	9,032.87
Dividend received	446.25	357.00
Management fee received	809.63	1,009.27
Job work income	1,483.84	1,792.50
Rent income	78.00	97.50
Sole selling commission received	380.84	527.27
Inter-corporate deposit (ICD) Taken	-	760.00
Inter-corporate deposit (ICD) re paid	1,100.00	500.00
Interest on the above ICD	209.87	373.55
Investment as at year end	510.00	510.00
Loan Outstanding	(2,010.00)	(3,110.00)
Interest payable	(14.56)	(22.58)
Balance outstanding as at the end of the year (payable)	(2,907.21)	(2,758.84)

35. Operating lease

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	Rs. in lacs	
	31 March 2016 Year ended	31 March 2015 Period ended
1. Lease payments for the year	258.71	501.87
2. Minimum lease payments		
a. Not later than one year	207.05	262.31
b. Later than one year and not later than five years	133.47	320.79
c. Later than five years	-	-

b) Assets given under operating lease

1. Uncollectible minimum lease payments receivable at the Balance sheet date	-	-
2. Future minimum lease payments receivable:		
a. Not later than one year	78.00	78.00
b. Later than one year and not later than five years	234.00	312.00
c. Later than five years	-	-

c) The lease payment recognise in the Statement of Profit and Loss for the year is **Rs 258.71 lacs** (Previous period Rs 501.87 lacs).

36. Particulars of unhedged foreign currency exposure as at 31st March 2016

Particulars	Currency	Rs. (in lacs)					
		As at 31 March 2016 Amount Rs. (in lacs)	As at 31 March 2016 Amount (Foreign currency in lacs)	Year ended 31 March 2016 (Rates, 1 unit of Foreign currency equivalent INR)	As at 31 March 2015 Amount Rs.(in lacs)	As at 31 March 2015 Amount (Foreign currency in lacs)	Year ended 31 March 2015 (Rates, 1 unit of Foreign currency equivalent INR)
Creditors	CHF	0.56	0.01	68.54	2.64	0.04	66.13
Creditors	EUR	1,581.91	21.07	75.10	2,088.99	30.20	69.17
Creditors	GBP	324.68	3.41	95.09	197.48	2.09	94.59
Creditors	JPY	176.88	299.49	0.59	86.73	162.84	0.53
Creditors	SEK	-	-	-	13.42	1.79	7.51
Creditors	USD	1,049.05	15.81	66.33	882.52	13.80	63.93
Debtors	EUR	1,030.98	13.73	75.10	1,083.87	16.39	66.13
Debtors	USD	2,396.68	36.13	66.33	2,405.04	39.29	61.21
Advance to suppliers	CHF	0.56	0.01	68.54	-	-	-
Advance to suppliers	EUR	162.18	2.16	75.10	1,003.55	14.51	69.17
Advance to suppliers	GBP	5.57	0.06	95.09	86.34	0.91	94.59
Advance to suppliers	JPY	2.50	4.23	0.59	10.88	20.44	0.53
Advance to suppliers	SEK	-	-	-	19.44	2.59	7.51
Advance to suppliers	USD	522.55	7.88	66.33	116.87	1.83	63.93

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

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

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

Statement of Profit and Loss

Particulars	Rs. in lacs	
	31 March 2016 Year ended	31 March 2015 Period ended
Current service cost	365.34	440.41
Interest cost on benefit obligation	595.06	771.11
Expected return on planned assets	(369.54)	(330.05)
Net actuarial loss / (gain) recognized in the year	1,014.94	(297.82)
Net benefit expense	1,605.80	583.65

Balance Sheet

Particulars	Rs. in lacs	
	As at 31 March 2016	As at 31 March 2015
Defined benefit obligation	9,311.51	8,328.70
Less: Fair value of plan assets	(4,558.56)	(4,347.50)
Plan liability	4,752.95	3,981.20

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

Opening defined benefit obligation	8,328.70	7,754.72
Interest cost	595.06	771.12
Current service cost	365.34	440.41
Benefits paid directly by the company	(4.05)	(153.15)
Benefits paid from the fund	(956.84)	(996.10)
Actuarial losses on obligation	983.30	511.70
Closing defined benefit obligation	9,311.51	8,328.70

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

Opening fair value of plan assets	4,347.50	3,454.03
Expected return	369.54	330.05
Contributions by employer	830.00	750.00
Benefits paid	(956.84)	(996.08)
Actuarial gains / (losses)	(31.64)	809.50
Closing fair value of plan assets	4,558.56	4,347.50

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:- [AS15 Revised Para 120 (h)]

Particulars	As at	As at
	31 March 2016	31 March 2015
	%	%
Investments with insurer	100	100

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.

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

Particulars	As at	As at
	31 March 2016	31 March 2015
Discount rate	7.50% p.a.	7.75% p.a.
Expected rate of return on plan assets	7.75% 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.

Particulars	Rs. in lacs				
	As at 31 March 2016	As at 31 March 2015	As at 31 December 2013	As at 31 December 2012	As at 31 December 2011
Defined benefit obligation	9,311.51	8,328.70	7,754.72	7,680.61	6,545.91
Plan assets	4,558.56	4,347.50	3,454.04	3,758.65	3,812.62
Deficit	4,752.95	3,981.20	4,300.68	3,921.96	2,733.29
Experience adjustments on plan liabilities	723.99	520.71	489.61	375.67	511.34
Experience adjustments on plan assets	(31.64)	29.56	328.26	348.35	180.08

38. Earning in foreign currency (on accrual basis)

Particulars	Rs. in lacs	
	31 March 2016 Year ended	31 March 2015 Period ended
Sale - FOB value of exports	16,711.65	18,853.98
Total	16,711.65	18,853.98

39. Expenditure in foreign currency (on accrual basis)

Particulars	Rs. in lacs	
	31 March 2016 Year ended	31 March 2015 Period ended
(a) Travelling expenses	136.33	264.67
(b) Salary	363.00	495.00
(b) Communication expenses	59.66	63.48
(c) Royalty	1,817.30	2,044.99
(d) Professional expenses	171.52	700.46
(e) Management support charges	581.32	774.68
(g) Others	131.46	210.61
Total	3,260.59	4,553.89

40. Value of imports calculated on CIF basis during the year in respect of:-

Particulars	Rs. in lacs	
	31 March 2016 Year ended	31 March 2015 Period ended
Raw materials	11,404.36	13,108.52
Stores and spares	985.76	1,005.01
Capital goods	5,003.41	4,286.01
Total	17,393.53	18,399.54

41. Value of imported and indigenous raw material, components and stores and spares consumed

Rs. in lacs

Particulars	% of total consumption	31 March 2016 Year ended	% of total consumption	31 March 2015 Period ended
Raw material and components				
Imported	27.61%	12,600.91	24.27%	13,376.93
Indigenous	72.39%	33,045.24	75.73%	41,735.59
	100.00%	45,646.15	100.00%	55,112.52
Stores and spares				
Imported	7.65%	883.37	7.16%	1,071.95
Indigenous	92.35%	10,656.73	92.84%	13,894.05
	100.00%	11,540.10	100.00%	14,966.00

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

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Rs in lacs

Particulars	As at 31 March 2016	As at 31 March 2015
The principal amount remaining unpaid as at the end of year	310.35	205.43
Interest due on above principal and remaining unpaid as at the end of the year	2.13	0.68
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.	21.64	24.98
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	24.48	24.56
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	1.39	-

43. Expenses capitalised

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

Particulars	31 March 2016 Year Ended	31 March 2015 Period Ended
Salaries, wages and bonus	29.80	35.38
Any others exp	39.91	39.89
Total	69.71	75.27

44. Provision for regulatory matters

During the year ended 31 December 2010, the Company 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. 439.46 lacs is included under Note no. 8 for provisions which are net of amounts utilized of Rs. 305.50 lacs during the year towards remediation.

In addition to the above, the provision for regulatory matters includes a provision of Rs. 1,384.83 lacs towards certain other regulatory matters.

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

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

45. Management support charges

During the year 2015-16, the Company has paid management support charges to its group companies of Rs 581.32 lacs (31 March 2015 Rs 774.68 lacs) in respect of certain application engineering services provided to the Company. The Company carries out its transfer pricing study annually 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, 2015 to March 31, 2016, 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. 581.32 lacs as allowable expenditure.

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

47. During the year 2014-15 the Company had entered into a power purchase agreement with Real Captive Power (RCP) and paid Rs. 850 lacs as refundable security deposit which was recoverable in 5 equal instalments beginning from 7th to 11th year. Further, the Company had purchased 26% equity shares in RCP for Rs 26 lacs, in order to be eligible as a captive user for sourcing power at a cheaper rate from RCP. As RCP was a newly incorporated company, recoverability of security deposit would solely be dependent on the financial position of RCP at the time of repayment, therefore, on a conservative basis, the management created a provision of Rs. 850 lacs and the same was duly provided for in the books of accounts of the Company in March 2015. Now, in view of delay in the start of power supply by RCP, RCP has refunded the said security deposit of Rs. Rs. 850 lacs. The same amount which had already been provided for during the year ended March 2015 has been reversed now and shown as part of other income. Further, the Company has also disposed off the 26% equity holding in RCP at cost.

48 Corporate social responsibility

a) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Act is Rs. 57.36 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	35.74	-	35.74
b. Health related expenses	14.75	-	14.75
c. Social activities	1.37	-	1.37
d. Others	5.50	-	5.50
	57.36	-	57.36

49. Previous year/period numbers have been regrouped/ reclassified, wherever considered necessary. Last year, the Company has changed the financial year from January - December to April - March . Pursuant to change in financial year the previous period financials has been prepared from January 1, 2014 to March 31, 2015 (i.e 15 months).

For Walker Chandiook & Co. LLP
(Formerly Walker Chandiook & Co)
Chartered Accountants

per **Anamitra Das**
Partner
Membership No.: 062191

Place: Gurgaon
Date: 13th May 2016

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

Vinod Kumar Hans Whole Time Managing Director DIN : 03328309	Manish Chadha Chief Finance Officer & Finance Director DIN : 07195652
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Khalid Iqbal Khan
Whole Time Director - Legal & Company Secretary
DIN : 05253556



FEDERAL-MOGUL TPR (INDIA) LIMITED

DIRECTOR'S REPORT

Dear Member(s),

Your Directors are pleased to present the 19th Annual Report and Audited Financial Statement of Accounts for the financial year ending 31st March, 2016.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	1st April 2015 to 31st March 2016 Year ended	1st January 2014 to 31st March 2015 Period ended
Gross Sales	11,141.98	14,264.55
Less: Excise duty	(1,361.79)	(1,531.12)
Income from operations	9,780.19	12,733.43
Other income	439.66	499.54
Total Income	10,219.85	13,232.97
Operating Profit before finance charges, depreciation and exceptional item	2,702.72	3,955.90
Finance Charges	30.65	17.42
Depreciation	326.65	404.05
Exceptional items	-	-
Net Profit before tax	2,345.42	3,534.44
Provision for the Taxation :		
Current Tax	837.80	1,266.96
Deferred Tax	2.23	(28.74)
Profit after tax	1,505.39	2,296.22
Prior period items	-	-
Profit/ (Loss) brought forward from last year	5,735.14	4,723.87
Depreciation charged on transition to Schedule II of the Companies Act, 2013 (Net of deferred tax of Rs.1.31 lacs).	(2.53)	-
Net profit available for appropriation	7,238.00	7,020.09
Appropriation		
Transfer to general reserve	(151.00)	(235.00)
Dividend :		
Equity Shares	(560.00)	(875.00)
Tax and cess on dividend-Equity	(117.18)	(174.95)
Surplus carried to Balance sheet	6,409.82	5,735.14

SUMMARY OF OPERATIONS, BUSINESS REVIEW/ STATE OF THE COMPANY'S AFFAIRS

As reported in the last Annual Report, the last financial year comprised of a period of 15 months commencing from 1st January 2014 to 31st March 2015 to fall in line with the requirements of the Companies Act 2013.

The Net income of the Company during the financial year ended 31st March 2016 was Rs. 10,219.85 lacs as against Rs. 13,232.97 lacs for the period from 1st January 2014 to 31st March 2015.

During the year under review, the Company made a net profit after tax of Rs. 1,505.39 lacs for financial year ended 31st March 2016 as against the net profit after tax of Rs. 2,296.22 lacs for the period from 1st January 2014 to 31st March 2015.

Out of the total profit of the Company of Rs. 1,505.39 lacs for the financial year, the Company proposes to transfer an amount of Rs. 151.00 lacs to the general reserves as against an amount of Rs. 235.00 lacs last year. An amount of Rs. 674.67 lacs is proposed to be retained in the Statement of Profit and Loss after proposed dividend (including dividend tax) of Rs. 677.18 lacs.

MATERIAL CHANGES AND COMMITMENTS

No material change, which could affect the financial position of the Company, occurred between the end of the financial year of the company and the date of the Board Report.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Presently your Board consists of six (6) directors viz Mr. Vinod Kumar Hans, Chairman and Non-executive Director; Dr. Khalid Iqbal Khan,



FEDERAL-MOGUL TPR (INDIA) LIMITED

Non-executive Director; Mr. Rajesh Sinha, Non-executive Director; Mr. Krishnamurthy Naga Subramaniam, Non-executive Independent Director; Mr. Rayasam Venkataramaiah, Non-Executive Independent Director and Mr. Hiroshi Takano, Non-executive Director. Further, Mr. Manish Chadha, CFO, Mr. Ashish Kaul, Manager and Mr. Anand Kumar Sahoo is the Company Secretary of the Company.

A) Appointment/ Reappointment of Directors

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, Mr. Hiroshi Takano, Director of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

None of the Directors is disqualified under Section 164(2) of the Companies Act, 2013.

B) Changes in Directors and Key Managerial Personnel

During the year under review, in the Board meeting held on 22nd May 2015, the Board accepted the resignation of Mr. S Raghavendra as Manager, Mr. Sachin Selot as Director & CFO and Mr. Yashwant Mathur as Director of the Company with effect from close of business hours of 22nd May 2015.

Further, in the same Board meeting, the Board appointed Mr. Ashish Kaul as Manager under the Companies Act 2013, for a period of 5 years, Mr. Rayasam Venkataramaiah was appointed as Non-executive Independent Director for a period of 5 years and Dr. Khalid Iqbal Khan was appointed as Non-executive Director of the Company, with effect from 22nd May 2015.

In the Board meeting held on 25th August 2015, Mr. Manish Chadha was appointed as Chief Financial Officer of the Company with effect from 25th August 2015.

In the meeting held on 8th December 2015, the Board accepted the resignation of Mr. Andreas Wilhelm Kolf as Chairman & Director of the Company, with effect from close of business hours of 31st December 2015 and appointed Mr. Vinod Kumar Hans as Chairman and Mr. Rajesh Sinha as Director, liable to retire by rotation, with effect from 1st January 2016.

The Board places its sincere appreciation of the valuable contribution made by each of the outgoing Directors.

In accordance with Article 71 of the Articles of Association of the Company, Mr. Hiroshi Takano is retiring by rotation in the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

MEETINGS OF THE BOARD OF DIRECTORS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year 5 (Five) Board meetings were held in compliance with the provisions of the Companies Act, 2013 and the Secretarial Standards issued by the Institute of Company Secretaries of India. The details of the Board meetings held during the financial year 2015-16 are given below:

Date of the meeting	Total strength of the Board	No. of Directors Present
22 nd May, 2015	7	5
25 th August, 2015	6	4
19 th November, 2015	6	4
8 th December, 2015	6	4
15 th February, 2016	6	4

COMMITTEES OF BOARD

The Company has various committees of the Board, such as, Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee. The details of composition of these committees are mentioned herein below:

a. Audit Committee

S. No.	Name	Chairperson/ Members
1.	Dr. Khalid Iqbal Khan	Chairperson
2.	Mr. Krishnamurthy Naga Subramaniam	Member
3.	Mr. Rayasam Venkataramaiah	Member

During the year, the Committee met on 22nd May 2015 and 15th February 2016.

**b. Nomination & Remuneration Committee**

S. No.	Name	Chairperson/ Members
1.	Mr. Krishnamurthy Naga Subramaniam	Chairperson
2.	Dr. Khalid Iqbal Khan	Member
3.	Mr. Hiroshi Takano	Member
4.	Mr. Rayasam Venkataramaiah	Member

During the year, the Committee met on 22nd May 2015, 25th August 2015 and 8th December 2015.

c. Corporate Social Responsibility Committee

S. No.	Name	Chairperson/ Members
1.	Mr. Vinod Kumar Hans	Chairperson
2.	Dr. Khalid Iqbal Khan	Member
3.	Mr. Krishnamurthy Naga Subramaniam	Member
4.	Mr. Hiroshi Takano	Member

During the year, the Committee met on 22nd May 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2016 and of the profit and loss of the Company for the financial year ended 31st March 2016;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis;
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIVIDEND

For the financial year ended 31st March 2016, the Board has recommended a dividend @ Rs. 5.60/- per Equity Shares, aggregating to Rs. 560 Lacs/- (excluding Dividend Tax of Rs. 117.19 Lacs). The total outflow on account of dividend, if approved, will be Rs. 677.18 Lacs (Including dividend tax of Rs. 117.18 Lacs).

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form MGT- 9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 12 of Companies (Management & Administration) Rules, 2014 is enclosed herewith as **Annexure -A**, forming part of this report.

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

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

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013

The Company has received declarations from all the Independent Directors confirming the criteria of independence as prescribed under section 149(6) of Companies Act, 2013 read with the schedules and rules made there under.

NOMINATION AND REMUNERATION POLICY

The Company has constituted the Nomination & Remuneration Committee in the Board meeting held on 4th June 2014. The Board has, on the recommendation of the Nomination & Remuneration Committee, adopted a policy for selection and appointment including the criteria for determining qualifications, positive attributes, independence of directors and remuneration of Directors, Key Managerial Personnel Senior Management Personnel and other employees. The Nomination & Remuneration Policy is attached as **Annexure-B**, forming part of this report.



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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

For the details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with rules made there under, please refer Note No. 10 & 11 forming the part of financial statements.

RELATED PARTY TRANSACTIONS

During the financial year 2015-16, the Company has entered into the related party transactions in terms of the Companies Act, 2013 read with rules made there under, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of Section 188 of the Companies Act, 2013 and rules made there under.

The Form AOC- 2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule made there under is set out as **Annexure-C** to this Report.

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

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

RISK MANAGEMENT POLICY

The Company operates in an environment, which is affected by various risks some of which are controllable while some are outside the control of the Company. Therefore, pursuant to the requirements of the Companies Act, 2013, the Company has developed and implemented the Risk Management Policy covering the process of identifying, assessing, mitigating, reporting and review of critical risks impacting the operations of Company or which threatens its existence.

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

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors at its meeting held on 4th June 2014 approved the Corporate Social Responsibility (CSR) Policy for the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with rules made there under, on the recommendations of the CSR Committee. The Company has

constituted Corporate social Responsibility (CSR) Committee. Presently, the Committee comprises of the following members:

- | | | | |
|----|------------------------------------|---|-------------|
| 1) | Mr. Vinod Kumar Hans | : | Chairperson |
| 2) | Dr. Khalid Iqbal Khan | : | Member |
| 3) | Mr. Krishnamurthy Naga Subramaniam | : | Member |
| 4) | Mr. Hiroshi Takano | : | 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.

The activities and initiatives undertaken by the Company during the financial year 2015-16 in CSR activities have been detailed in the Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Annual Report on CSR activities and CSR policy are attached herewith as **Annexure- E & Annexure- F** to this Report.

In accordance with the provisions of Section 135 of the Companies Act 2013, the Board has approved Rs. 55.95 lacs for spending on CSR activities during the financial year 2016-17. The Board had allocated an amount of Rs. 62.21 lacs for the financial year 2015-16 to be spent on CSR activities. However, during the year, the Company could spent an amount of Rs. 67.47 lacs out of the accumulated CSR amount of Rs. 116.65 lacs (including the unspent amount of Rs. 54.44 lacs carried forward from previous year 2014-15). Considering the suitability of the projects, the unspent amount is proposed to be spent during the next financial year.

SUBSIDIARY AND ASSOCIATE COMPANY

The Company has no subsidiary and associate Company.

PUBLIC DEPOSITS

As at 31st March, 2016, your Company had no unclaimed fixed deposits. No fresh/ renewed deposits were invited or accepted during the financial year.

DETAILS ON ADEQUACY OF INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has an Audit Committee headed by a non-executive 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.

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.



MATERIAL ORDERS PASSED BY REGULATORS

There is no such material order passed by regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

AUDITORS

Statutory Auditors' & Auditors' Report

At the 18th AGM of the Company, M/s. Walker Chandiook & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), New Delhi were appointed as the Statutory Auditors' to hold office till the conclusion of the 20th AGM of the Company subject to the ratification by members at every AGM. Accordingly, the appointment of M/s. Walker Chandiook & Co. LLP, Chartered Accountants, as the Company's Statutory Auditors, is placed for ratification by the members. The Company has received certificate from the Auditors to the effect that ratification of their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory.

Internal Auditors

The Board, on the recommendation of the Audit Committee has approved the appointment of M/s. KPMG, as the Internal Auditors, for the financial year ending March 31, 2017.

Cost Auditors

The Board, on the recommendation of the Audit Committee has approved the appointment of M/s. Sanjay Gupta & Associates, Cost Accountants, as Cost Auditor, for the financial year ending March 31, 2017. The Cost Auditors will submit their report for the financial year ending 2015-16 on or before the due date.

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no employees who come under the category of employees, as required under rule 5(2)(i) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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 2015-16.

No. of complaints received : Nil

No. of complaints disposed off : Nil

During the year, the Company carried out awareness programme against sexual harassment.

SAFETY, HEALTH AND ENVIRONMENT PROTECTION

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

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

ACKNOWLEDGMENT

Your Directors would like to express its sincere thanks for the support and cooperation of its promoters TPR Co., Ltd., Federal-Mogul UK Investments Limited and Federal-Mogul Goetze (India) Ltd. We also wish to place on record our deep sense of appreciation for the committed services by the executives, staff and workers of the Company and for the encouragement and confidence extended by its dealers, vendors, customers, business associates without which it would not have been possible to achieve all round progress and growth of the Company.

For and on behalf of the Board of Directors

(Vinod Kumar Hans)

Chairman & Director

DIN: 03328309

Date: 13th May 2016

Place : Gurgaon



FEDERAL-MOGUL TPR (INDIA) LIMITED

Form No. MGT-9

Annexure A

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

CIN	U34300DL1997PLC087410
Registration Date	21 st May, 1997
Name of the Company	Federal-Mogul TPR (India) Limited
Category / Sub-Category of the Company	Company limited by shares
Address of the Registered office and contact details	Registered Office: G-4, J.R. Complex, Gate No.-4, Mandoli, Delhi- 110093 Contact details: Ph. No.: +91 11 71745745 Corporate Office : Paras Twin Towers, 10th Floor, Tower B, Sector-54, Golf Course Road, Gurgaon-122002 Contact details: Ph. No.: +91 124 4784530; Fax : +91 124 4292840
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Piston rings	2811	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Federal-Mogul Goetze (India) Limited	L74899DL1954PLC002452	Holding	51%	2(46)



FEDERAL-MOGUL TPR (INDIA) LIMITED

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	5100000	5100000	51.00	-	5100000	5100000	51.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub – total (A)(1)	-	5100000	5100000	51.00	-	5100000	5100000	51.00	-
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	4900000	4900000	49.00	-	4900000	4900000	49.00	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	10000000	10000000	100.00	-	10000000	10000000	100.00	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	-	10000000	10000000	100.00	-	10000000	10000000	100.00	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
l) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Joint shareholding	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10000000	10000000	100.00	-	10000000	10000000	100.00	-



FEDERAL-MOGUL TPR (INDIA) LIMITED

Shareholding of Promoters

Sl. Shareholder's No. Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
	No. of shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	% change in shareholding during the year
1 Federal-Mogul Goetze (India) Limited	5100000	51.00	-	5100000	51.00	-	-
2 Federal-Mogul UK Investments Limited	2450000	24.50	-	2450000	24.50	-	-
3 TPR Co. Ltd.	2450000	24.50	-	2450000	24.50	-	-
Total	10000000	100.00	-	10000000	100.00	-	-

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

Sl. No. Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1. Federal-Mogul Goetze (India) Limited At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	5100000 Nil 5100000	51.00 Nil 51.00	5100000 Nil 5100000	51.00 Nil 51.00
2. Federal-Mogul UK Investments Limited At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	2450000 Nil 2450000	24.50 Nil 24.50	2450000 Nil 2450000	24.50 Nil 24.50
3. TPR Co. Ltd. At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc): At the End of the year	2450000 Nil 2450000	24.50 Nil 24.50	2450000 Nil 2450000	24.50 Nil 24.50

(iii) Shareholding Pattern of Top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No. For each of the Top 10 Shareholders	Shareholders at beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of shares	% of total shares of the Company
Nil	Nil	Nil	Nil	Nil



FEDERAL-MOGUL TPR (INDIA) LIMITED

iv. Shareholding of Directors and Key Managerial Personnel:

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Vinod Kumar Hans (Chairman & Director)				
At the beginning of the year	10 equity shares	negligible	10 equity shares	negligible
Transactions (Purchased as on 8th December 2015) during the year:	10 equity shares	negligible	20 equity shares	negligible
At the end of the year	20 equity shares	negligible	20 equity shares	negligible
Dr. Khalid Iqbal Khan (Director)				
At the beginning of the year	10 equity shares	negligible	10 equity shares	negligible
Transactions (Purchase/Sale) during the year:	-	-	-	-
At the end of the year	10 equity shares	negligible	10 equity shares	negligible
Mr. Manish Chadha (CFO)				
At the beginning of the year	10 equity shares	negligible	10 equity shares	negligible
Transactions (Purchase/Sale) during the year:	-	-	-	-
At the end of the year	10 equity shares	negligible	10 equity shares	negligible

Note: Mr. K N Subramaniam, Mr. Rajesh Sinha, Mr. Rayasam Venkataramaiah, Mr. Hiroshi Takano, Mr. Anand Kumar Sahoo and Mr. Ashish Kaul did not hold any shares during the year 2015-16.

V. INDEBTEDNESS

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

	(Rs. in lacs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
• Addition	385.36	Nil	Nil	Nil
• Reduction	(385.36)	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil



FEDERAL-MOGUL TPR (INDIA) LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		
		Mr. Ashish Kaul (Manager w.e.f. 22nd May, 2015)	Mr. S Raghavendra (Manager upto 22nd May 2015)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.27	2.80	19.07
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, (Commission)	Nil	Nil	Nil
5	Others, (Company's contribution to PF)	0.77	0.08	0.85
	Total (A)	17.04	2.89	19.93
	Ceiling as per the Act: (Being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			235.16

B. Remuneration to other directors:

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total
		Krishnamurthy Naga Subramaniam	Vinod Kumar Hans	Khalid Iqbal Khan	Rayasam Venkataramaiah	
	For Independent Directors					
	Fee for attending Board / Committee meetings	1.80	-	-	-	1.80
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	1.80	-	-	-	1.80
	Other Non-Executive Directors					
	Fee for attending Board / Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total B (1+2)	-	-	-	-	1.80
	*Total Managerial Remuneration (A+B)	-	-	-	-	21.73
	Overall Ceiling as per the Act: (Being 11% of the net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)					258.68

Notes:

1. Dr. Khalid Iqbal Khan and Mr. Rayasam Venkataramaiah were appointed as Director w.e.f. 22nd May 2015.
2. Mr. Manish Chadha was appointed as CFO w.e.f. 25th August 2015.
3. Mr. Rajesh Sinha was appointed as Director w.e.f. 1st January 2016.
4. Mr. Andreas Wilhelm Kolf resigned as Chairman & Director w.e.f. close of business hours of 31st December 2015.
5. Mr. Sachin Selot and Mr. Yashwant Mathur resigned from the Board w.e.f. 22nd May 2015.
6. Mr. S Raghavendra resigned as Manager w.e.f. 22nd May 2015.
7. Mr. Ashish Kaul was appointed as Manager w.e.f. 22nd May 2015.
8. Management Incentive Plan for the financial year 2015-16 was paid during 2016-17.
9. *Total remuneration to Managing Director, Whole time Director, Manager & Director and other Directors (being the total of A and B)

**C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD**

(Rs in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel Mr. Anand Kumar Sahoo (Company Secretary)
1.	Gross salary	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14.76
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	
-	as % of profit	Nil
-	others, specify	Nil
5.	Others, please specify (Company's contribution to PF)	0.71
	Total	15.47

Note: Management Incentive Plan for the financial year 2015-16 was paid during 2016-17.

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

NOMINATION AND REMUNERATION POLICY**Annexure - B****Legal Framework**

In an endeavor to make the hiring of Directors, KMP & other Senior Official more transparent, the Companies Act, 2013 ('Act') requires the Company to have the Nomination & Remuneration policy for inter-alia, setting up the criteria of Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management & Functional Heads.

Definitions

- Board:- Board of Directors
- Directors:- Directors of the Company
- Committee:- Nomination and Remuneration committee constituted and re constituted by the Board from time to time
- Company:- Federal Mogul TPR (India) Limited
- Independent Director:- a director referred to in Section 149 (6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP):-
 - (i) Executive Chairman and / or Managing Director and/or Manager
 - (ii) Whole-time Director;
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary;
 - (v) Such other officer as may be prescribed.

Objective & purpose

The objective and purpose of this policy are:

- 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.



FEDERAL-MOGUL TPR (INDIA) LIMITED

- 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.

Scope of this Policy

The policy shall be applicable to

1. Directors
2. Key Managerial Personnel (KMP)
3. Senior Management (One Level Below the Board)
4. Functional Heads

Nomination, Evaluation & Removal Criteria

1.0 Broad Evaluation Mechanism

- 1.1 Factors to be considered when reviewing a potential candidate for Board/ KMP/ Senior Management/ Functional Head:
 - a. The skills, relevant experience, expertise and personal qualities that will best complement for the position
 - b. Potential conflicts of interest, and independence.
- 1.2 Detailed background information and performance track record.
- 1.3 Identification of potential candidates through external agencies & job portals and Screening of the candidates will be done by Human Resources Department (HRD).
- 1.4 Letter of appointment to be issued by HRD based on the recommendations of the Committee.

2.0 Nomination Appointment criteria and qualifications:

- 2.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP, Senior Management & Functional Heads level and recommend to the Board his / her appointment.
- 2.2 A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- 2.3 The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- 2.4 Term / Tenure:
 1. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time.

No re-appointment shall be made earlier than one year before the expiry of term.
 2. Independent Director:

An Independent Director shall hold office for a term up to five years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. The committee shall take into consideration the applicable provisions of the Companies Act, 2013 and the relevant rules, as existing or as may be amended from time to time.
- 2.5 Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP, Senior Management & Functional Heads at regular interval.
- 2.6 Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.



2.7 Retirement:

The Director, KMP, Senior Management & Functional Heads shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management & Functional Heads in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Nomination

Remuneration Criteria

3.1 In discharging its responsibilities, the Committee shall have regard to the following policy objectives:

- To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- To attract and retain competent executives;
- To plan short and long-term incentives to retain talent.
- To ensure any severance benefits are justified.

3.2 The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management & Functional Heads will be determined by the Committee and recommended to the Board for approval.

3.3 The remuneration and commission to be paid to the MD and/or Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made there under.

3.4 Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

3.5 Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

1. Fixed pay:

The MD and/or Whole-time Director / KMP and Senior Management and Functional Heads shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees and other perquisites shall be decided and approved by the Board on the recommendation of the Committee.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD and/or Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3.6 Remuneration to Non- Executive / Independent Director:

1. Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made there under.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the limits prescribed by the Government from time to time.

3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding the limit prescribed by the Government from time to time, of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

Review

The Committee shall, at least once in each year, assess the adequacy of this policy and make any necessary or desirable amendments to ensure it remains consistent with the Board's objectives, current law and best practice.



FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis during the FY 2015-16: **Nil**
2. Details of material contracts or arrangement or transactions at arm's length basis: **Nil**

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

Vinod Kumar Hans
Chairman & Director
DIN: 03328309

Date: 13th May 2016
Place: Gurgaon

Pursuant to clause (m) of sub-section (3) of section 134 of the Act and Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

- a) The following energy conservation measures were taken:
 - Replacement of 3 decades old, outdated and inefficient reciprocating water cooled compressors with highly efficient technology upgraded air screw compressors.
 - Modification of compressed air distribution piping network for control on operating pressure & volume in line with the requirement.
 - Relocation of the air pressure vessels near the source, thereby, increasing the storage capacity and reducing the air pressure drop during non - productive periods.
 - Relocation of all the air compressors to a single location near to the power house thereby resulting in better monitoring / control on the operations, effective utilization, flexibility and optimization of power.
 - Low cost automation for shutting off / on of the air supply post storage pressure vessels during power failures, thereby, reducing the line losses and time for regeneration.
 - Effective execution of periodical preventive maintenance activities to sustain the optimum efficiency of compressed air generation / operations.
 - Changed the stainless steel heaters to Titanium heaters in surface treatment area for improved life and efficiency.
- b) Impact of the above measures:

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

B. TECHNOLOGY ABSORPTION

1. Efforts in brief made towards Technology absorption, adaptation & innovation:
 - Successfully absorbed technology like AV19 coating, GDC, LKR designs for various stringent performance requirements from the market.
 - Technology meetings conducted for knowledge transfer of latest engineering solutions.



FEDERAL-MOGUL TPR (INDIA) LIMITED

2. Benefits derived as a result of above efforts:
 - Improved product portfolio and new business opportunities.
 - Better value for cost products developed.
 - Ready for BS6 ahead of competition
3. In case of imported technology, (imported during the last three years reckoned from the beginning of the financial year).

Details of technology Imported	Year of Import	Technology absorption status
PVD	2013	PVD facility will be available by Q2' 2017 and production will start after PPAP approval from the customer.
LKR	2016	Samples development activity started based on the technical input from Germany. Production is expected by Q4' 2017, which is based on the customer program timeline.

4. Expenditure on R & D:
 - Capital: Nil
 - Recurring: Nil
 - Total: NilTotal R & D Expenditure as a percentage of total turnover: Nil

C. FOREIGN EXCHANGE EARNINGS & OUTGO

1. Exports: Rs. 3.10 lacs
2. Foreign exchange earned: Rs. 3.10 lacs
3. Foreign exchange utilized: Rs. 2,030.99 lacs

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY("CSR")ACTIVITIES Annexure-E

1. A brief outline of the Company's CSR policy, including overview of the projects or programs undertaken and proposed to be undertaken

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

Our social investment programs focus on five areas where we believe we can add the most value and make a significant and lasting impact.

- **Promotion of Education** – Promoting quality education among less privileged children, especially girl child, to bring about a social change.
- **Preventive Health care** – To directly and indirectly improve the health of fellow citizens, especially the socially and economically marginalized groups by working actively in areas of preventive health and sanitation and making available safe drinking water.
- **Rural Development Project**– We undertake to maintain our commitment to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large by supporting local schools & hospitals i.e. community development.
- **Employment Enhancing Vocational Skills** – Skill Development of unemployed youth – we plan to associate ourselves with ITI's and launch series of programmes to provide technical and vocational training with an ultimate aim of creating world class skilled work force and making the potential employees 'Job Ready' before they embark upon their professional career.
- **Women Empowerment** – Equip people, particularly women, with skills and resources to build a better future for themselves.

The CSR activities are taken up primarily in and around areas of FMTPR location, within a radius of 15- 30 Km.

2. Composition of the CSR Committee:

Mr. Vinod Kumar Hans
Dr. Khalid Iqbal Khan
Mr. K.N. Subramaniam
Mr. Hiroshi Takano

3. Average net profit of the Company for the last three financial years: Rs. 31.10 Crores
4. Prescribed CSR Expenditure (two percent, of the amount as in item 3 above): Rs. 62.21 Lacs
5. Details of CSR spent during the financial year: Rs. 67.47 Lacs



FEDERAL-MOGUL TPR (INDIA) LIMITED

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

						Rs. Lacs
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local Area (2) Specify the State and district where projects was undertaken	Amount spent on project (1) Direct expenditure on project (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or thru implementing agency
1	Education to Under-privileged children	Promotion of Education	Gurgaon	9.12		Agency- Pragati
2	Sponsor education of 127 children for a period of one year	Promotion of Education	Bangalore/Patiala	24.38		Agency- SOS Children's Village
3	Construction of wash room for school in village Dooddaballapur	Promotion of Education	Bangalore	22.06		Direct
4	Repair and Maintenance of same school	Promotion of Education	Bangalore	1.36	56.92	Direct
5	Driving lessons for Women	Women Empowerment	Gurgaon	8.05		Agency- Vidya Integrated Development for Youth and Adult
6	Silai Centre for women	Women Empowerment	Delhi	2.5	10.55	Agency- Vidya Integrated Development for Youth and Adult
Total				67.47	67.47	

6. Details of implementing Agencies are as under :-

- Pragati, is an NGO which works primarily in the field of education for underprivileged children. Under this model, Pragati adopts, manages and operates government Primary schools for deprived children from Nursery to Class -5 and helps to improve students' learning. It is working in this filed since 2004
- Vidya-Integrated Development for Youth and Adults, VIDYA is a non-profit NGO. It is a charitable organization that specializes in the education and empowerment of less-privileged children, youth and women through working with them at an individual level. Its nationally-recognized programmes include schools, remedial education, computer training, adult literacy, skills training, microfinance and social entrepreneurship. It was founded in 1985 and is currently active in Delhi, Gurgaon, Mumbai and Bangalore.
- SOS Children's Village - SOS Children's Villages of India is an independent, non-governmental, social development organisation that provides family-based care for parentless or abandoned children in India. The organization is over 50 years old in India and it advocates the concerns, rights and needs of children in need of care and protection. In India, it is present in 22 states, has 32 SOS Children's Villages and over 25,000 beneficiaries.

7. Justification for spending lesser than the prescribed CSR expenditure:

The Company's CSR initiatives usually involve setting the foundation of various programs at a small scale to learn from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community. For this reason, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. However, moving forward the Company will endeavor to spend on CSR activities in accordance with the prescribed limits

8. During the financial year, the implementation and monitoring of CSR policy, was in compliance with CSR objectives and policy of the Company.

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

Vinod Kumar Hans
Chairman - CSR Committee & Director
DIN: 03328309

Date: 13th May 2016
Place: Gurgaon



CORPORATE SOCIAL RESPONSIBILITY POLICY

Effective: April 1, 2014

1. SHORT TITLE & APPLICABILITY:

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

2. THE COMPANY'S APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY

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

2.1 AIMS AND OBJECTIVES

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

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

3. ACTIVITIES UNDER CORPORATE SOCIAL RESPONSIBILITY

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

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

CSR activities will include the following activities relating to:—

- (i) Eradicating hunger, poverty, malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- (ii) Promotion of education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the different a bled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) Measures for the benefit of armed forces veterans, war widows and their dependants.
- (v) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- (vi) Ensuring environmental sustainability, ecological balance protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
- (vii) Protection of national heritage, art and culture including restoration of buildings and sites of historically importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.
- (viii) Contributions or funds provided to technology incubators located within academic institutions which are approved by Central Government.
- (ix) Rural development projects.
- (x) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- (xi) Such other matters as may be prescribed by the Central Government and approved by the Board of Directors/ CSR Committee, as the case may be.



4. PROHIBITED ACTIVITIES UNDER CSR

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

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

5. IMPLEMENTATION MECHANISM

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

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

6. PLANNING AND COORDINATION

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

7. MONITORING AND EVALUATION

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

8. ALLOCATION OF FUNDS

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

9. REPORTING

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

10. GENERAL

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



Independent Auditor's Report

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

Report on the Financial Statements

1. We have audited the accompanying financial statements of Federal-Mogul TPR (India) Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

10. As required by Section 143(3) of the Act, we report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion, proper books of account as required by law have been kept by the

Company so far as it appears from our examination of those books;

c. the financial statements dealt with by this report are in agreement with the books of account;

d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;

f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 13 May 2016 as per annexure B expressing our unmodified opinion on adequacy and operating effectiveness of the internal financial controls over financial reporting

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

i. as detailed in Note 25 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;

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

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Walker Chandiok & Co LLP

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.:

001076N/N500013

per **Anamitra Das**

Partner

Membership No.: 062191

Place: Gurgaon

Date: 13th May 2016



FEDERAL-MOGUL TPR (INDIA) LIMITED

Annexure to the Independent Auditor's Report of even date to the members of Federal-Mogul TPR(India) Limited, on the financial statements for the year ended 31 March 2016

Annexure A

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable properties. Accordingly, the provisions of clause 3(ii)(c) of the Order are not applicable
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable
- (iv) In our opinion the, Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to 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.



FEDERAL-MOGUL TPR (INDIA) LIMITED

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

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under Protest	Period to which the amount relates (₹ in lacs)	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	2.42	2.00	2000-04	Joint Commissioner - Central Excise
Finance Act, 1994 (Service Tax)	Service tax	655.49	-	2008 to 2011	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax	43.30	-	2013-14	Additional Commissioner, Excise
Finance Act, 1994 (Service Tax)	Service tax	47.73	-	2014-15	Additional Commissioner, Excise
Finance Act, 1994 (Service Tax)	Service tax	51.85	-	2014-16	Commissioner, Excise
Finance Act, 1994 (Service Tax)	Service tax	56.50	-	2010-11	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax	219.80	-	2011-2013	Commissioner, Excise
Finance Act, 1994 (Service Tax)	Service tax	135.15	3.31	2008-2010	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax	29.84	15.50	2007-08	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax	233.38	17.50	2010-2013	Commissioner, Excise
Finance Act, 1994 (Service Tax)	Service tax	35.93	-	2014-2016	Joint Commissioner, CE Excise
Finance Act, 1994 (Service Tax)	Service tax	38.35	-	2014-2016	Commissioner, Excise
Finance Act, 1994 (Service Tax)	Service tax	35.72	-	2014-15	Commissioner excise
Finance Act, 1994 (Service Tax)	Service tax	98.12	-	2006-09	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax	611.96	-	2007-08	High Court
Finance Act, 1994 (Service Tax)	Service tax	1.97	-	2012-13	Commissioner, Excise
Income tax Act, 1961	Income tax	2.53	-	2012-13	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Income tax	1.82	-	2010-11	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Income tax	0.37	-	2010-11	Commissioner Income Tax (Appeals)
Income tax Act, 1961	Income tax	7.73	-	2011-12	Commissioner Income Tax (Appeals)
UP VAT	Value added tax	3.50	-	2007-08	Sale Tax Commissioner, UP

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

For Walker Chandiok & Co LLP

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Anamitra Das**

Partner

Membership No.: 062191

Place : Gurgaon

Date : 13th May 2016



Annexure B

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

1. In conjunction with our audit of the financial statements of Federal Mogul TPR (India) Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Walker Chandiok & Co LLP

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Anamitra Das**

Partner

Membership No.: 062191

Place: Gurgaon

Date: 13th May 2016



FEDERAL-MOGUL TPR (INDIA) LIMITED

Federal-Mogul TPR (India) Limited

Balance Sheet as at 31 March 2016

(All amounts in lacs, unless otherwise stated)

	Notes	As at 31 March 2016	As at 31 March 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,000.00	1,000.00
Reserves and surplus	4	8,704.82	7,879.14
		9,704.82	8,879.14
Non-current liabilities			
Deferred tax liabilities (net)	5	107.28	106.36
Long-term provisions	6	83.93	65.03
		191.21	171.39
Current liabilities			
Trade payables	7	428.42	650.97
Trade Payables to micro enterprises and small enterprises	7	7.48	10.79
Other current liabilities	8	88.56	98.84
Short-term provisions	6	692.90	1,141.19
		1,217.36	1,901.79
Total		11,113.39	10,952.32
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	1,947.06	1,850.69
Capital work-in-progress		12.80	86.27
Long-term loans and advances	10	38.31	264.63
		1,998.17	2,201.59
Current assets			
Inventories	13	1,041.29	844.55
Trade receivables	14	3,963.83	2,966.06
Cash and bank balances	15	1,935.99	1,599.12
Short-term loans and advances	11	2,105.20	3,283.64
Other current assets	12	68.91	57.36
		9,115.22	8,750.73
Total		11,113.39	10,952.32

Notes 1 to 38 form an integral part of these financial statements

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

For **Walker Chandiook & Co LLP**
(Formerly Walker, Chandiook & Co)
Chartered Accountants

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

per **Anamitra Das**
Partner
Membership No.: 062191

Vinod Kumar Hans
Director
DIN-03328309

Dr. Khalid Iqbal Khan
Director
DIN-05253556

Manish Chadha
Chief Finance Officer

Place: Gurgaon
Date: 13th May 2016

Anand Kumar Sahoo
Company Secretary



FEDERAL-MOGUL TPR (INDIA) LIMITED

Federal-Mogul TPR (India) Limited

Statement of Profit and Loss for the year ended 31 March 2016

(All amounts in lacs, unless otherwise stated)

	Notes	31 March 2016 Year ended (12 months)	31 March 2015 Period ended (15 months)
Revenue			
Revenue from operations (gross)		11,141.98	14,264.55
Less: Excise duty		1,361.79	1,531.12
Revenue from operations (net)	16	9,780.19	12,733.43
Other income	17	439.66	499.54
Total		10,219.85	13,232.97
Expenses			
Cost of materials consumed	18	2,605.41	3,346.93
Increase in inventories of finished goods and work-in-progress	19	(251.02)	(114.79)
Employee benefits expenses	20	546.64	592.61
Finance cost	21	30.65	17.42
Depreciation and amortisation expense	9	326.65	404.05
Other expenses	22	4,616.10	5,452.31
Total		7,874.43	9,698.53
Profit before tax		2,345.42	3,534.44
Tax expense			
Current tax		837.80	1,266.96
Deferred tax expenses/(credit)		2.23	(28.74)
Total tax expense		840.03	1,238.22
Profit for the year/period		1,505.39	2,296.22
Earnings per equity share	23		
Basic and diluted		15.05	22.96

Notes 1 to 38 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

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

per **Anamitra Das**
Partner
Membership No.: 062191

Vinod Kumar Hans
Director
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Dr. Khalid Iqbal Khan
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Manish Chadha
Chief Finance Officer

Place: Gurgaon
Date: 13th May 2016

Anand Kumar Sahoo
Company Secretary



FEDERAL-MOGUL TPR (INDIA) LIMITED

Federal-Mogul TPR (India) Limited Cash flow statement for the year ended 31 March 2016

(All amounts in lacs, unless otherwise stated)

	31 March 2016 Year ended	31 March 2015 Period ended
A. Cash flow from operating activities		
Profit before tax and after prior period items	2,345.42	3,534.44
Adjustments for:		
Depreciation and amortisation	326.65	404.05
Loss on sale / discard of fixed assets (net)	6.19	6.73
Provision for doubtful debts and advances	4.17	2.95
Interest income	(332.31)	(477.59)
Interest expense	17.42	7.66
Excess provision written back	(107.35)	(19.20)
Unrealised forex (gain)/loss (net)	(10.42)	(2.75)
Operating profit before working capital changes	2,249.77	3,456.29
Movements in working capital:		
Increase in trade and other receivables	(687.71)	(1,250.93)
Increase in inventories	(196.76)	(33.01)
(Decrease) / Increase in trade/other payables	(108.74)	365.64
Cash generated from operations	1,256.56	2,537.99
Direct taxes paid (net of refunds)	(911.26)	(997.98)
Net cash from operating activities	345.30	1,540.01
B. Cash flows from investing activities		
Purchase of fixed assets	(359.57)	(124.10)
Movement in restricted cash	(340.59)	(419.60)
Interest received	321.70	475.70
Increase / (Decrease) in Inter-corporate deposit	1,100.00	(260.00)
Net cash flow from / (used in) investing activities	721.54	(328.00)
C. Cash flows from financing activities		
Interest paid	(17.42)	(8.40)
Dividends paid	(875.00)	(700.00)
Tax on dividend paid	(178.14)	(118.97)
Net cash used in financing activities	(1,070.56)	(827.37)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(3.72)	384.64
Cash and cash equivalents at the beginning of the year	704.32	319.68
Cash and cash equivalents at the end of the year	700.60	704.32



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in lacs, unless otherwise stated)

Components of cash and cash equivalents as at	31 March 2016 Year ended	31 March 2015 Period ended
Cash on hand*	0.00	0.00
With banks - on current account	700.60	704.32
- fixed deposits with banks	700.60	704.32

* Rounded off to nearest rupees lacs.

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

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

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

per **Anamitra Das**
Partner
Membership No.: 062191

Vinod Kumar Hans
Director
DIN-03328309

Dr. Khalid Iqbal Khan
Director
DIN-05253556

Manish Chadha
Chief Finance Officer

Place: Gurgaon
Date: 13th May 2016

Anand Kumar Sahoo
Company Secretary



FEDERAL-MOGUL TPR (INDIA) LIMITED

Summary of significant accounting policies & other explanatory notes

(All amounts in lacs, unless otherwise stated)

1. Corporate information

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

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

2. Basis of preparation and presentation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under 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 accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

a) Use of estimates

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

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

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

Tangible fixed assets except for leasehold land are depreciated on straight line method.

Depreciation has been provided in accordance with useful lives prescribed in the Companies Act 2013 except for certain fixed assets where useful lives has been assessed based on technical evaluation after considering the expected usage of assets, operational factors, technological changes and maintenance practice etc. The following are the rates used by the Company which are different from Schedule II."

Asset class	Rate prescribed in Schedule II of Companies Act, 2013	Rates used by the Company
Plant and machinery - -General	7.5 to 15 years	7.5 to 14 years

Leasehold land is amortised over the period of lease.

Plant and Machinery also includes self constructed machinery.

d) 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.

Software: over a period of 5 years on straight line basis.

**Summary of significant accounting policies & other explanatory notes**

(All amounts in lacs, unless otherwise stated)

e) Leases

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

f) 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.

g) Inventories**Inventories are valued as follows:**

Raw materials, components, stores and spares and bought out tools	Lower of cost or net realizable value. Cost represents purchase price and other direct costs and is determined on a moving weighted average cost basis. However materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress	Lower of cost or net realizable value. Cost for this purpose includes material, labour and appropriate allocation of overheads.
Finished goods	Lower of cost or net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

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

h) Revenue recognition

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

Sale of goods

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

Interest

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

i) Foreign currency translation**(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.



Summary of significant accounting policies & other explanatory notes

(All amounts in lacs, unless otherwise stated)

(ii) Conversion

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

(iii) Exchange differences

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

j) Retirement and other employee benefits

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

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

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

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

(v) Superannuation Benefit

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

k) Income taxes

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

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

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

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

l) Earnings per share

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

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

**Summary of significant accounting policies & other explanatory notes**

(All amounts in lacs, unless otherwise stated)

m) Provisions, contingent liabilities and contingent asset

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

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

n) Cash and cash equivalents

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



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in lacs, unless otherwise stated)

3. Share capital

Particulars	As at 31 March 2016	As at 31 March 2015
Authorized shares		
10,000,000 equity shares of Rs. 10/- each.	1,000.00	1,000.00
1,000,000 6% redeemable cumulative preference shares of Rs. 100 each	1,000.00	1,000.00
	2,000.00	2,000.00
Issued, subscribed and fully paid-up shares		
10,000,000 equity shares of Rs. 10/- each.	1,000.00	1,000.00
Total issued, subscribed and fully paid-up share capital	1,000.00	1,000.00

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

(b) Terms/ rights attached to equity shares

1. The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

2. During the year ended 31 March, 2016, the amount of per share dividend recognized as distributions to equity shareholders is **Rs. 5.60** (31 March 2015 Rs. 8.75).

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

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

Name of the shareholder	31 March 2016		31 March 2015	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of Rs 10 each				
Federal-Mogul Goetze (India) Limited, India	5,100,000	51.00%	5,100,000	51.00%
Federal Mogul UK Investment Limited, UK	2,450,000	24.50%	2,450,000	24.50%
TPR Co. Limited, Japan	2,450,000	24.50%	2,450,000	24.50%
Total	10,000,000	100.00%	10,000,000	100.00%

(d) Shares held by holding company

Equity shares of Rs 10 each				
Federal-Mogul Goetze (India) Limited, India	5,100,000	51.00%	5,100,000	51.00%

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

4. Reserves and surplus

Particulars	As at 31 March 2016	As at 31 March 2015
Capital redemption reserve		
Balance as per last financial statements	1,000.00	1,000.00
Closing balance	1,000.00	1,000.00
General reserve		
Balance at the beginning of the year	1,144.00	909.00
Add: Transferred from the balance in statement of profit and loss	151.00	235.00
Closing balance	1,295.00	1,144.00
Surplus in the statement of profit and loss		
Balance at the beginning of the year	5,735.14	4,723.87
Add: Transferred from statement of profit and loss	1,505.39	2,296.22
Less: Appropriations:		
Proposed dividends on equity shares	(560.00)	(875.00)
Tax on proposed dividend - equity shares (2015-16)	(114.00)	-



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in lacs, unless otherwise stated)

Particulars	As at 31 March 2016	As at 31 March 2015
Tax on proposed dividend - equity shares (2014-15)	(3.18)	(174.95)
Impact of revision of useful lives of various fixed assets (Amount net of deferred tax of Rs.1.31 lacs).	(2.53)	-
Transfer to general reserve	(151.00)	(235.00)
Net surplus in the statement of profit and loss	6,409.82	5,735.14
Total reserves and surplus	8,704.82	7,879.14

5. Deferred tax liabilities (net)

Deferred tax liabilities

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

	142.26	154.64
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Gross deferred tax liability

	142.26	154.64
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Deferred tax assets

Provision for employee benefits	32.28	23.44
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Royalty expenses	-	12.29
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Provision for doubtful debts and advances	2.70	1.28
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Others	-	11.27
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Gross deferred tax assets	34.98	48.28
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Deferred tax liabilities (net)	107.28	106.36
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6. Long-term provisions and short-term provisions

Particulars	As at		As at	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Non-current		Current	
Provision for employee benefits				
Provision for gratuity (refer note no. 31)	68.16	51.54	4.07	3.12
Provision for compensated absences	15.77	13.49	1.13	0.96
	83.93	65.03	5.20	4.08
Other provisions				
Proposed dividend	-	-	560.00	875.00
Tax on proposed dividend	-	-	114.00	174.95
Provision for taxation (net of advance tax)	-	-	13.70	87.16
	-	-	687.70	1,137.11
	83.93	65.03	692.90	1,141.19

7. Trade payables

Particulars	As at 31 March 2016	As at 31 March 2015
Trade payables (including acceptances)		
- Due to micro, small and medium enterprises (refer note no. 30)	7.48	10.79
- Total outstanding dues to units other than micro, small and medium enterprises	428.42	650.97
	435.90	661.76

8. Other current liabilities

Advance from customers	9.54	4.48
Other payables:		
Statutory liabilities	79.02	94.36
	88.56	98.84



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in lacs, unless otherwise stated)

9. Tangible assets

	Furniture and Fittings and Office equipments	Plant and machinery	Vehicles	Total tangible assets
Gross block				
Balance as on 1 January 2014	12.48	5,709.55	0.31	5,722.34
Additions	-	48.78	-	48.78
Disposals	0.30	134.43	-	134.73
Balance as on 31 March 2015	12.18	5,623.90	0.31	5,636.39
Balance as on 1 April 2015	12.18	5,623.90	0.31	5,636.39
Additions	-	433.04	-	433.04
Disposals	-	118.11	-	118.11
Balance as on 31 March 2016	12.18	5,938.83	0.31	5,951.32
Accumulated depreciation				
Balance as on 1 January 2014	10.37	3,499.01	0.27	3,509.65
Charge for the year	0.03	403.99	0.03	404.05
Disposals	0.29	127.71	-	128.00
Balance as on 31 March 2015	10.11	3,775.29	0.30	3,785.70
Balance as on 1 April 2015	10.11	3,775.29	0.30	3,785.70
Impact of revision of useful lives of various fixed assets*	0.31	3.52	-	3.83
Charge for the year	0.06	326.59	-	326.65
Disposals	-	111.92	-	111.92
Balance as on 31 March 2016	10.48	3,993.48	0.30	4,004.26
Net block				
Balance as on 31 March 2015	2.07	1,848.61	0.01	1,850.69
Balance as on 31 March 2016	1.70	1,945.35	0.01	1,947.06

Note: The estimated useful lives of certain fixed assets have been revised in accordance with Schedule-II to Companies Act, 2013, with effect from April 1, 2015. Pursuant to the above mentioned changes, in useful life of the assets, the depreciation expenses for the year is higher by Rs 22.78 lacs.

The assets whose useful life is Nil as on 31 March 2016, the net book value of Rs 2.53 lacs (net of deferred tax Rs 1.31 lacs) has been adjusted with Retained Earnings.

10. Long-term loans and advances

Particulars	As at 31 March 2016	As at 31 March 2015
Taxes paid under protest	38.31	264.63
	38.31	264.63

11. Short-term loans and advances

Unsecured, considered good		
Advance to suppliers	4.25	40.05
Deposits with excise and other tax authorities	82.75	126.94
Deposits with Holding Company (refer note no. 26)	2,010.00	3,110.00
Prepaid expenses	8.20	6.65
	2,105.20	3,283.64



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in lacs, unless otherwise stated)

12. Other current assets

Particulars	As at 31 March 2016	As at 31 March 2015
Interest accrued on deposits with holding company (refer Note no. 26)	14.56	22.58
Interest accrued on others	53.41	34.78
Insurance claim receivable	0.94	-
	68.91	57.36

13. Inventories (valued at lower of cost or net realizable value)

Raw material and components	305.19	354.54
Stores and spares	50.30	55.23
Work-in-progress	413.31	282.16
Finished goods (Includes goods in transit Rs 4.70 lacs (31 March 2015 Rs 2.60 lacs).	272.49	152.62
	1,041.29	844.55

14. Trade receivables

Debt outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered doubtful	7.94	3.77
Less Provision for doubtful debts	(7.94)	(3.77)
	-	-
Debts outstanding for a period less than six months for the date they are due for payment		
Unsecured, considered good	3,963.83	2,966.06
	3,963.83	2,966.06
	3,963.83	2,966.06

15. Cash and bank balances

Cash and cash equivalents		
Cash on hand	0.00	0.00
Balances with scheduled banks:		
On current accounts	700.60	704.32
	700.60	704.32
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months*	1,235.39	894.80
	1,235.39	894.80
	1,935.99	1,599.12

*Deposits pledge with government authorities as at 31 March 2016 **Rs 318.02 lacs** (as at 31 March 2015 294.80 lacs).



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in lacs, unless otherwise stated)

16. Revenue from operations (net)

Particulars	31 March 2016 Year ended	31 March 2015 Period ended
Revenue from operations		
Sale of products	11,133.95	14,256.65
Other operating revenue	8.03	7.90
Revenue from operations (gross)	11,141.98	14,264.55
Less: Excise duty	(1,361.79)	(1,531.12)
Revenue from operations (net)	9,780.19	12,733.43
Details of products sold		
Manufactured goods		
Rings	11,133.95	14,256.65
Total	11,133.95	14,256.65

17. Other income

Interest income on		
Bank deposits	99.12	104.04
On inter-corporate deposit	233.19	373.55
Excess liabilities written back	107.35	19.20
Exchange differences (net)	-	2.75
	439.66	499.54

18. Cost of materials consumed*

Steel wire	1,169.75	1,481.56
Bought out rings	1,361.75	1,772.63
Others	73.91	92.74
	2,605.41	3,346.93

*(Also refer note no. 35)

19. Increase in inventories of finished goods and work-in-progress

Opening stock		
Work-in-process	282.16	178.93
Finished goods	152.62	141.06
	434.78	319.99
Closing stock		
Work-in-process	413.31	282.16
Finished goods	272.49	152.62
	685.80	434.78
	(251.02)	(114.79)

20. Employee benefits expenses

Salaries, wages and bonus	474.99	511.90
Contribution to provident fund and other funds	35.65	38.41
Contribution to super annuation	1.98	4.21
Gratuity expenses (refer note no. 31)	17.57	14.67
Workmen and staff welfare expenses	16.45	23.42
	546.64	592.61



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in lacs, unless otherwise stated)

21. Finance cost

Particulars	31 March 2016 Year ended	31 March 2015 Period ended
Interest:		
- Others	17.42	7.66
Bank charges	13.23	9.76
	30.65	17.42

22. Other expenses

Consumption of stores and spares (refer note no. 35)	1,111.14	1,191.24
Sub-contracting expenses	98.28	60.87
Chrome plating charges	1,483.84	1,792.50
Increase/(decrease) in excise duty on inventory	27.38	(24.88)
Power and fuel	141.99	156.14
Freight and forwarding charges	23.04	35.72
Rent (refer note no. 28)	80.32	100.38
Rates and taxes	5.47	39.20
Insurance	3.70	5.95
Repairs and maintenance		
Plant and machinery	8.16	27.54
Buildings	0.96	17.99
Others	5.11	27.18
Advertising and sales promotion	139.00	184.93
Sole selling commission	380.84	527.27
Management support charges	809.74	1,009.27
Royalty	153.69	221.27
Product rectification charges	0.75	0.36
Legal and professional fees	28.55	29.78
Travelling and conveyance	10.76	13.26
Printing and stationery	6.04	7.79
Auditors' remuneration*	6.00	6.50
Corporate Social Responsibility expenses (refer note no. 37)	67.47	4.00
Exchange differences (net)	1.50	-
Provision for doubtful debts and advances	4.17	2.95
Loss on sale of fixed assets (net)	6.19	6.73
Miscellaneous expenses	12.01	8.37
	4,616.10	5,452.31

*Auditors' remuneration

-Audit fee	5.25	5.50
-Tax audit fee	0.75	1.00
	6.00	6.50

23. Earnings per share

Net profit after tax as per statement of profit and loss	1,505.39	2,296.22
Profit available for equity shareholders	1,505.39	2,296.22
Weighted average number of equity shares outstanding during the year	10,000,000	10,000,000
Basic and diluted earnings per share (Rs.)	15.05	22.96



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in lacs, unless otherwise stated)

24. Capital and other commitments

Total estimated amount of contracts, remaining to be executed on capital account and not provided for as at 31 March 2016 is **Rs. 1359.67** lacs (31 March 2015 Rs.250.43 lacs).

25. Contingent liabilities

Particulars	As at 31 March 2016	As at 31 March 2015
(I) Excise duty		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeal and show cause notices/ orders on the same issues for other periods	-	-
(b) Cases pending before Appellate authorities in respect of which the	2.42	2.42
(c) Show cause notices on issues yet to be adjudicated	-	-
Total	2.42	2.42
(ii) Service tax		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeal and show cause notices/ orders on the same issues for other periods	329.80	255.52
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	1,353.33	2,228.61
(c) Show cause notices on issues yet to be adjudicated	-	-
Total	1,683.13	2,484.13
(iii) Income tax		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals	-	-
(b) Cases pending before Appellate authorities/ Dispute resolution panel in respect of which the Company has filed appeals	12.45	9.92
(c) Show cause notices on issues yet to be adjudicated	6.66	6.66
Total	19.11	16.58

26. Related party disclosure

i) List of related parties and related party relationship:

Name of the Party	Nature of relationship
Federal-Mogul Corporation	Ultimate Holding Company
Federal-Mogul Goetze (India) Limited	Holding Company
Federal Mogul UK Investments Limited	Common control with Holding Company
Teikoku Piston Ring Co. Ltd., Japan	Common control with Holding Company
Federal Mogul Sistemas	Fellow Subsidiary
Federal Mogul Burschied	Fellow Subsidiary
Federal Mogul Motorparts India Ltd	Fellow Subsidiary
Mr. Vinod Kumar Hans	Director
Mr. Manish Chadha	Chief Finance Officer (w.e.f. June 1, 2015)
Mr. Anand Kumar Sahoo	Company Secretary
Mr. S Raghavendra	Manager (resigned as Manager w.e.f. May 22, 2015)
Mr. Ashish Kaul	Manager (w.e.f. May 22, 2015)



(All amounts in lacs, unless otherwise stated)

Particulars	Holding Company		Common Control with holding Co.				Fellow Subsidiary Total				Total	
	Federal Mogul Goetze (India) Ltd.		Federal Mogul UK Investment Limited	Teikoku Piston Rings	Federal Mogul Sistemas	Federal Mogul Burschied	Federal Mogul Motorparts India Ltd					
	31 March 2016 Year ended	31 March 2015 Period ended	31 March 2016 Year ended	31 March 2015 Period ended	31 March 2016 Year ended	31 March 2015 Period ended	31 March 2016 Year ended	31 March 2015 Period ended	31 March 2016 Year ended	31 March 2015 Period ended	31 March 2016 Year ended	
Sales (including excise duty)	8,212.97	9,032.87	-	-	-	-	-	-	-	-	8,212.97	9,032.87
Purchase of raw material, intermediaries and finished goods (incl. excise duty)	1,194.64	1,637.14	-	-	-	-	-	-	-	-	1,245.12	1,749.38
Dividend Paid	446.25	357.00	214.38	50.27	100.22	0.22	12.02	-	-	-	875.00	700.00
Management fee paid	809.63	1,009.27	-	214.38	171.50	-	-	-	-	-	809.63	1,009.27
Job work Expenses	1,483.84	1,792.50	-	-	-	-	-	-	-	-	1,483.84	1,792.50
Sole selling commission paid	380.84	527.27	-	-	-	-	-	-	-	-	380.84	527.27
Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Expenses paid	-	-	-	-	-	-	-	-	-	-	0.22	4.58
Rent expense	78.16	97.50	-	-	-	-	-	-	-	-	78.16	97.50
Royalty Expense	-	-	-	-	-	-	-	-	-	-	147.14	221.27
Inter-Corporate Deposit	-	-	147.14	147.14	221.27	-	-	-	-	-	-	760.00
(ICD) given	-	-	-	-	-	-	-	-	-	-	-	-
Inter-Corporate Deposit (ICD) received back	1,100.00	500.00	-	-	-	-	-	-	-	-	1,100.00	500.00
Interest on ICD	209.87	373.55	-	-	-	-	-	-	-	-	209.87	373.55
Balance outstanding at the end of the year (Receivable)	2,907.21	2,758.84	-	-	-	-	-	-	-	-	2,907.42	2,758.84
Deposits with holding company	2,010.00	3,110.00	-	-	-	-	-	-	-	-	2,010.00	3,110.00
Interest accrued on deposits with holding company	14.56	22.58	-	-	-	-	-	-	-	-	-	-
Balance outstanding as at the end of the year (Payable)	-	-	-	(52.03)	(42.93)	(0.22)	(12.14)	-	-	-	(52.25)	(55.07)

Key Managerial personnel-Remuneration

	Mr. Anand Kumar Sahoo	Mr. S Raghavendra	Mr. Ashish Kaul
31 March 2016 Year ended	31 March 2015 Period ended	31 March 2016 Year ended	31 March 2015 Period ended
17.03	13.29	3.22	27.08
		22.75	-



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in lacs, unless otherwise stated)

27. Segment information

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

28. Operating lease

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

Particulars	31 March 2016	31 March 2015
(i) not later than one year;	78.00	78.00
(ii) later than one year and not later than five years;	234.00	312.00
(iii) later than five years;	-	-

(b) The lease payments recognised in the statement of profit and loss for the year is **Rs 80.32 lacs** and for the previous year Rs. 100.38 lacs.

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

Import creditors	Foreign currency	Rate	Amount
USD			
31 March 2016	0.10	66.33	6.74
31 March 2015	2.30	63.93	147.04
Euro			
31 March 2016	0.00	75.10	0.23
31 March 2015	0.18	69.17	12.47
JPY			
31 March 2016	(161.73)	0.59	(95.52)
31 March 2015	101.99	0.53	54.32

Note: Figures in bracket signifies advance to vendors.

Export debtors	Foreign currency	Rate	Amount
JPY			
31 March 2016	-	-	-
31 March 2015	66.60	0.51	33.91

30. On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars	As at 31 March 2016	As at 31 March 2015
The principal amount remaining unpaid as at the end of year	7.48	10.79
Interest due on above principal and remaining unpaid as at the end of the year	0.06	0.09
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.	1.06	0.83
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in lacs, unless otherwise stated)

Particulars	As at 31 March 2016	As at 31 March 2015
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	1.12	0.92

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

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

Statement of profit and loss

Net employee benefit expense (recognized in Employee cost)

Particulars	31 March 2016 Year ended	31 March 2015 Period ended
Current service cost	5.52	6.21
Interest cost on benefit obligation	4.12	4.74
Net actuarial (gain) / loss recognised in the year	7.93	3.72
Net benefit expense	17.57	14.67

Balance Sheet

Particulars	As at 31 March 2016	As at 31 March 2015
Details of provision for gratuity		
Defined benefit obligation	72.23	54.66
	72.23	54.66

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

Opening defined benefit obligation	54.66	42.23
Interest cost	4.12	4.74
Current service cost	5.52	6.21
Benefits paid	-	(2.24)
Actuarial losses on obligation	7.93	3.72
Closing defined benefit obligation	72.23	54.66

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

Discount rate	7.50%	7.75%
Normal retirement age	58 years	58 years
Employee turnover	5%	5%

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



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in lacs, unless otherwise stated)

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 2016	31 March 2015	31 December 2013	31 December 2012	31 December 2011
Defined benefit obligation	72.23	54.66	42.23	37.60	39.84
Plan assets	-	-	-	-	-
Surplus / (deficit)	(72.23)	(54.66)	(42.23)	(37.60)	(39.84)
Experience adjustments on plan liabilities	6.24	(0.42)	1.61	(3.86)	(5.89)
Experience adjustments on plan assets	-	-	-	-	-

32. Expenditure in foreign currency (on accrual basis)

Particulars	31 March 2016 Year ended	31 March 2015 Period ended
Travelling expenses	2.45	2.63
Technical fees	4.86	5.73
Royalty	147.14	210.73
Total	154.45	219.09

33. Remittance in foreign currency on account of dividend:

Particulars	Period to which pertain	No. of shares held	No. of non resident share holders	Amount
Equity shares	Apr 1, 2015 to March 31, 2016	4,900,000	2	42,875,000
	Jan 1, 2014 to March 31, 2015	4,900,000	2	34,300,000

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

Particulars	31 March 2016 Year ended	31 March 2015 Period ended
Raw materials	1,098.10	1,488.31
Spare parts and components	515.00	408.04
Capital goods (including CWIP)	263.44	65.10
Total	1,876.54	1,961.45

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

Particulars	31 March 2016 Year ended		31 March 2015 Period ended	
	% of total consumption	Value Amount	% of total consumption	Value Amount
Raw materials and components				
Indigenous	55%	1,435.66	56%	1,865.37
Imported	45%	1,169.75	44%	1,481.56
	100%	2,605.41	100%	3,346.93
Stores, spares and tools				
Indigenous	53%	590.14	66%	788.93
Imported	47%	521.00	34%	402.31
	100%	1,111.14	100%	1,191.24



FEDERAL-MOGUL TPR (INDIA) LIMITED

(All amounts in lacs, unless otherwise stated)

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

37. Corporate Social Responsibility (CSR)

a) Gross amount required to be spent by the Company during the year (including brought forward from previous year) in compliance with section 135 of the Act is Rs 116.65 Lacs.

b) Amount spent during the year

	in cash	yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	
ii) On purpose other than (i) above			
- Educational activities	56.92	-	56.92
- Social Activities	10.55	-	10.55

During the year the Company has spent an amount of Rs. 67.47 lacs on CSR activities. The balance amount of Rs 105.13 lacs is proposed to be spent during the next year along with the amount of Rs 55.95 lacs to be allocated for financial year 2016-17."

38. Previous year/period numbers have been regrouped/ reclassified, wherever considered necessary. Last year, the Company has changed the financial year from January - December to April - March . Pursuant to change in financial year the previous period financials has been prepared from January 1, 2014 to March 31, 2015 (i.e 15 months).

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

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

per **Anamitra Das**
Partner
Membership No.: 062191

Vinod Kumar Hans
Director
DIN-03328309

Dr. Khalid Iqbal Khan
Director
DIN-05253556

Manish Chadha
Chief Finance Officer

Place: Gurgaon
Date: 13th May 2016

Anand Kumar Sahoo
Company Secretary

Independent Auditors' Report

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

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Federal-Mogul Goetze (India) Limited, ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors/management of the subsidiary included in the Group, are responsible for 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. Further, in terms with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiary are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that

were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2016 taken on record by the Board of Directors of the Holding Company and subsidiary Company, none of the directors of the Group is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) we have also audited the internal financial controls over financial that

reporting (IFCoFR) of the Company, its subsidiary Company as of 31 March 2016, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date and our report dated 13 May 2016 as per annexure A expressing our unmodified opinion on adequacy and operating effectiveness of the internal financial controls over financial reporting.

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

2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) as detailed in Note 32, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities;
- (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary Company

For **Walker Chandiok & Co. LLP**

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: **001076N/N500013**

per **Anamitra Das**

Partner

Membership No.: 062191

Place :Gurgaon

Date :13th May 2016

Annexure A to the Independent Auditor's Report of even date to the members of Federal-Mogul Goetze (India) Limited, on the consolidated financial statements for the year ended 31 March 2016

Annexure A

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

1. In conjunction with our audit of the consolidated financial statements of the Federal-Mogul Goetze (India) Limited ("the Holding Company") and its subsidiary, (the Holding Company and its subsidiary together referred to as "the Group"), as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary Company, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company and its subsidiary Company, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.:
001076N/N500013

per **Anamitra Das**
Partner

Membership No.: 062191

Place: Gurgaon

Date: 13th May 2016

Federal-Mogul Goetze (India) Limited
Consolidated Balance Sheet as at 31 March 2016

		Rs. in lacs	
	Note	As at 31 March 2016	As at 31 March 2015
Equity and Liabilities			
Shareholders' funds			
Share capital	3	5,563.21	5,563.21
Reserves and surplus	4	45,452.91	41,524.91
		51,016.12	47,088.12
Minority interest		7,452.87	6,715.23
Non-current liabilities			
Long-term borrowings	5	3,722.22	722.22
Deferred tax liabilities (net)	6	1,020.20	540.34
Other long term liabilities	7	432.07	396.94
Long-term provisions	8	7,575.46	6,103.68
		12,749.95	7,763.18
Current liabilities			
Short-term borrowings	9	13,400.37	18,143.31
Trade payables	10	22,443.66	20,635.92
Trade Payables to micro enterprises and small enterprises	10	317.83	216.22
Other current liabilities	11	3,317.52	2,535.36
Short-term provisions	8	813.74	891.95
		40,293.12	42,422.76
Total		111,512.06	103,989.29
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	54,002.75	48,618.10
Intangible assets	12.1	-	-
Capital work-in-progress		3,204.67	5,728.45
Non-current investments	13	-	-
Long-term loans and advances	14	2,387.59	3,434.65
		59,595.01	57,781.20
Current assets			
Current investments	15	-	-
Inventories	16	20,624.00	20,544.96
Trade receivables	17	19,173.80	18,217.51
Cash and bank balances	18	6,284.41	2,576.34
Short-term loans and advances	19	5,255.17	4,337.06
Other current assets	20	579.67	532.22
		51,917.05	46,208.09
Total		111,512.06	103,989.29

Note 1 to 44 form an integral part of these financial statements.

For Walker Chandio & Co. LLP
(Formerly Walker Chandio & Co)
Chartered Accountants

per **Anamitra Das**
Partner
Membership No.: 062191
Place: Gurgaon
Date: 13th May 2016

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

Vinod Kumar Hans
Whole Time Managing Director
DIN : 03328309
Khalid Iqbal Khan
Whole Time Director - Legal & Company Secretary
DIN : 05253556

Manish Chadha
Chief Finance Officer & Finance Director
DIN : 07195652

Federal-Mogul Goetze (India) Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2016
Rs. in lacs

	Note	31 March 2016 Year ended (12 Months)	31 March 2015 Period ended (15 Months)
Revenue			
Revenue from operations (gross)		146,551.49	171,785.88
Less: Excise duty		(13,749.55)	(13,799.17)
Revenue from operations (net)	21	132,801.94	157,986.71
Other income	22	2,034.05	1,877.47
Total revenue		134,835.99	159,864.18
Expenses			
Cost of raw material and components consumed	23	39,981.24	51,852.32
Decrease/ (increase) in inventories	24	241.20	(3,442.92)
Purchase of traded goods	25	4,867.61	5,379.44
Employee benefit expense	26	29,007.90	32,542.14
Depreciation and amortisation expenses	27	7,844.33	9,341.36
Finance cost	28	2,639.21	3,340.71
Other expenses	29	41,137.69	52,926.59
Total expenses		125,719.18	151,939.64
Profit before tax for the year/ period		9,116.81	7,924.54
Tax expense			
Current tax		2,714.59	3,766.95
Tax pertaining to earlier years		198.50	200.00
Deferred tax		706.45	(1,118.54)
Total tax expenses		3,619.54	2,848.41
Profit for the year/ period		5,497.27	5,076.13
Profit before minority interest		5,497.27	5,076.13
Minority interest		737.64	1,125.15
Profit after minority interest		4,759.63	3,950.98
Earnings per equity share (Rs.)	30		
Basic and diluted (Nominal value of shares Rs. 10)		8.56	7.10

Note 1 to 44 form an integral part of these financial statements.

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

For Walker Chandiook & Co LLP
 (Formerly Walker, Chandiook & Co)
Chartered Accountants

per **Anamitra Das**
 Partner
Membership No.: 062191

Place: Gurgaon
 Date: 13th May 2016

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

Vinod Kumar Hans
 Whole Time Managing Director
 DIN : 03328309

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

Manish Chadha
 Chief Finance Officer & Finance Director
 DIN : 07195652

Federal-Mogul Goetze (India) Limited
Consolidated cash flow statement for the year ended 31 March 2016
Rs. in lacs

	31 March 2016 year ended	31 March 2015 Period ended
A. Cash flow from operating activities		
Profit before tax	9,116.81	7,924.54
Adjustments for:		
Depreciation and amortisation	7,844.33	9,341.36
Loss on sale / discard of fixed assets (net)	187.37	122.13
Provision for doubtful debts and advances	4.17	1,031.27
Excess provision written back	(1,539.18)	(1,188.74)
Interest income	(223.93)	(242.65)
Interest expense	2,520.18	3,107.97
Advances written off	185.22	163.25
Provision for warranties	120.42	112.63
Unrealised forex (gain)/ loss (net)	(212.86)	(2.75)
Operating profit before working capital changes	18,002.53	20,369.01
Movements in working capital:		
Decrease / (increase) in trade and other receivable	(1,800.65)	1,875.28
Decrease / (increase) in inventories	(79.04)	(4,979.18)
Increase / (decrease) in trade and other payables	5,511.95	1,051.85
Cash generated from operations	21,634.79	18,316.96
Direct taxes paid (net of refunds)	(2,458.34)	(5,671.25)
Net cash from operating activities (A)	19,176.45	12,645.71
B. Cash flows from investing activities		
Purchase of fixed assets	(11,125.68)	(10,569.20)
Proceeds from sale of fixed assets	15.39	252.68
Movement in restricted cash	(538.34)	(13.43)
Movement in fixed deposits	-	(390.61)
Proceeds from sale of investment	-	876.44
Interest received	196.14	177.30
Net cash used in investing activities (B)	(11,452.49)	(9,666.82)
C. Cash flows from financing activities		
Receipt of borrowings (Long term)	4,000.00	(833.33)
Payment of borrowings (Long term)	(666.67)	-
Movement in borrowings (short term)	(4,742.94)	2,185.76
Interest paid	(2,537.74)	(3,084.72)
Dividend paid on equity shares	(428.75)	(343.00)
Tax on dividend paid on equity shares	(178.14)	(118.97)
Net cash used in financing activities (C)	(4,554.24)	(2,194.26)
Net increase in cash and cash equivalents (A + B + C)	3,169.72	784.63
Cash and cash equivalents at the beginning of the year	1,284.55	499.92
Cash and cash equivalents at the end of the year	4,454.27	1,284.55
Components of cash and cash equivalents as at		
Cash and Cheques on hand	0.15	0.01
With bank - on current account	4,454.12	1,284.54
	4,454.27	1,284.55

This is the consolidated cash flow statement referred to in our report of even date

For Walker Chandio & Co. LLP
(Formerly Walker Chandio & Co)
Chartered Accountants

per **Anamitra Das**
 Partner
Membership No.: 062191

Place: Gurgaon
 Date: 13th May 2016

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

Vinod Kumar Hans
 Whole Time Managing Director
 DIN : 03328309

Manish Chadha
 Chief Finance Officer & Finance Director
 DIN : 07195652

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

Summary of significant accounting policies and other explanatory notes to consolidated accounts

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), Bengaluru (Karnataka) and Bhiwadi (Rajasthan), with its registered office in New 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".

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 2016	Percentage of Ownership interest as at 31 March 2015
Federal-Mogul TPR (India) Limited	51 %	51 %

The audited financial statements of the subsidiary, considered in the consolidated accounts, are drawn upto 31 March 2016.

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. year ended 31 March 2016.

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 year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Summary of significant accounting policies & other explanatory notes to consolidated accounts

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

Tangible fixed assets except for leasehold land are depreciated on straight line method

Depreciation has been provided in accordance with useful lives prescribed in the Companies Act 2013 except for certain fixed assets where useful lives has been assessed based on technical evaluation after considering the expected usage of assets, operational factors, technological changes and maintenance practice etc. The following are the rates used by the Company which are different from Schedule II.

Asset Class	Rates used by the Company
Plant & Machinery	5 to 21 years

In respect of assets whose useful lives has been revised, the unamortised depreciable amount is charged over the revised remaining useful lives of the assets.

Leasehold land is amortised over the period of lease.

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.

Summary of significant accounting policies and other explanatory notes to consolidated accounts

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 the Companies Act, 2013.

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.

Summary of significant accounting policies & other explanatory notes to consolidated accounts

(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 unrecognised deferred tax assets. It recognises unrecognised 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 year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

3. Share capital

Particulars	Rs. in lacs	
	As at 31 March 2016	As at 31 March 2015
Authorised shares 80,000,000 (Previous Year: 80,000,000) equity shares of Rs. 10/- each.	8,000.00	8,000.00
	8,000.00	8,000.00
Issued, subscribed and fully paid-up shares 55,632,130 (Previous Year: 55,632,130) equity shares of Rs.10/- each	5,563.21	5,563.21
	5,563.21	5,563.21

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

(b) Right/restriction attached to equity shares.

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

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

Name of the shareholder*	31 March 2016		31 March 2015	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Federal Mogul Holding Limited, Mauritius, the Holding company	33,408,581	60.05%	33,408,581	60.05%
Federal Mogul Vermögensverwaltungs GMBH, a fellow subsidiary company	8,306,873	14.93%	8,306,873	14.93%
Reliance capital Trustee Company Limited	5,479,189	9.85%	5,479,189	9.85%

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

(d) Shares held by Holding/ Ultimate Holding Company and/ or their Subsidiaries/ Associates

Name of the shareholder	31 March 2016		31 March 2015	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Federal Mogul Holding Limited, Mauritius, the Holding company	33,408,581	60.05%	33,408,581	60.05%
Federal Mogul Vermögensverwaltungs GMBH, a fellow subsidiary company	8,306,873	14.93%	8,306,873	14.93%

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

4. Reserves and surplus

	As at 31 March 2016	As at 31 March 2015
Capital redemption reserve	2,000.00	2,000.00
Capital reserve	56.55	56.55
Capital subsidy	1.12	1.12
General reserve	1,144.00	909.00
Add: Transferred from surplus balance in the statement of profit and Loss	151.00	235.00
Closing balance	1,295.00	1,144.00
Securities premium account	26,750.74	26,750.74
Surplus in the Statement of Profit and Loss		
Opening balance	11,572.50	8,460.22
Add: Profit for the year /period	4,759.63	3,950.98
Less: Appropriations		
Proposed final equity dividend (amount per share Rs. 5.60/- (31st March 2015 of Rs.8.75/-))	274.40	428.75
Tax on proposed dividend - equity shares (2015-16)	114.00	-
Tax on proposed dividend - equity shares (2014-15)	3.18	174.95
Transfer to general reserve	151.00	235.00
Impact of revision of useful lives of various fixed assets (Net of deferred tax of Rs.226.59 lacs)	440.05	-
Closing balance	15,349.50	11,572.50
	45,452.91	41,524.91

5. Long-term borrowings

	As at 31 March 2016	Rs. in lacs As at 31 March 2015
Term loans		
Indian rupee loan from banks (secured)	3,722.22	722.22
	3,722.22	722.22

1.A) Indian rupee loan amounting to Rs 2,000 lacs from Yes Bank in two tranches of Rs 1000 lacs each taken on May 31, 2013 and Jun 28, 2013 respectively carries interest @ 11.70% p.a. Both tranches are repayable in 36 equal monthly installments of Rs. 27.77 lacs each along with interest after moratorium period of 12 months from the date of the disbursement of loan, viz., May 31, 2014 or Jun 28, 2014 respectively. The loan is secured by first parri passu charge on moveable assets of the Company including plant and machinery, spares, tools and accessories, furniture and fixtures and other moveable assets of the Company, excluding vehicles.

B) Indian rupee loan amounting to Rs 4,000 lacs from Yes Bank in two tranches of Rs 2,000 lacs each taken on Dec 22, 2015 and Dec 31, 2015 respectively carries interest @ 10.40% p.a. Both tranches are repayable in 36 equal monthly installments of Rs. 55.55 lacs each along with interest after a moratorium period of 12 months from the date of the disbursement of loan, viz., Dec 22, 2016 or Dec 31, 2016 respectively. The loan is secured by first parri passu charge on moveable assets of the Company including plant and machinery, spares, tools and accessories, furniture and fixtures and other moveable assets of the Company, excluding vehicles.

2. Current maturities of long term borrowings amounting to Rs. 1,000 lacs (31 March 2015: Rs. 666.67 lacs) are included under the head 'Other current liabilities'. (refer note 11).

6. Deferred tax liabilities (net)

	As at 31 March 2016	As at 31 March 2015
Deferred tax liabilities		
Impact of difference between depreciation as per tax and as per books	4,179.45	3,804.02
	4,179.45	3,804.02
Deferred tax assets		
Provision for employees benefits	2,200.08	1,890.20
Royalty expenses	-	632.03
Provision for doubtful debts and advances	80.46	52.50
Provision for contingencies	470.70	313.47
Provision for EHS	149.37	120.68
Others	258.64	254.80
	3,159.25	3,263.68
Deferred tax liabilities (net)	1,020.20	540.34

7. Other long-term liabilities

	As at 31 March 2016	As at 31 March 2015
Trade deposits from dealers*	432.07	396.94
	432.07	396.94

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

8. Provisions

	Long term		Short Term	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits				
Provision for gratuity (refer Note no. 37)	4,821.09	4,032.72	4.07	3.12
Provision for compensated absences	930.08	793.67	167.56	137.43
Provision for bonus	-	-	240.01	60.54
	5,751.17	4,826.39	411.64	201.09
Other provisions				
Proposed dividend	-	-	274.40	428.75
Tax on proposed dividend	-	-	114.00	174.95
Provision for taxation (net of advance tax)	-	-	13.70	87.16
Provision for regulatory matters (refer note (a) below)	1,824.29	1,277.29	-	-
	1,824.29	1,277.29	402.10	690.86
	7,575.46	6,103.68	813.74	891.95

Note (a)

Provision for regulatory matters

Opening balance	1,277.29	1,213.31
Provision made during the period	852.51	1,204.99
Utilised during the period	(305.51)	(1,141.01)
Closing balance	1,824.29	1,277.29

9. Short-term borrowings

	As at 31 March 2016	Rs. in lacs As at 31 March 2015
Secured		
Working capital loans (refer note (a))	6,500.00	6,600.00
Cash credit facilities from banks (refer note (a))	685.46	2,719.39
	7,185.46	9,319.39
Unsecured		
Inter-corporate deposit (refer note (b))	2,204.99	5,705.00
Working capital loan (refer note (c))	4,009.92	3,118.92
	6,214.91	8,823.92
Total	13,400.37	18,143.31

Note (a) I. Indian rupees working capital loans and cash credit facilities are secured against hypothecation of current assets of the Company, both present and future with HDFC, Yes Bank, Kotak Mahindra Bank, State Bank of India and Deutsche Bank. Cash credit facilities carries interest rate range of 9.50% to 11.50% p.a. Details of working capital loans is as follows:

ii. Details of working capital loans.

Name of the bank	Amount of loan	Date of repayment	Interest rate
Kotak Mahindra Bank	2,800.00	6 April 2016	10.05%
State Bank of India	1,200.00	30 April 2016	10.10%
HDFC	2,000.00	4 April 2016	9.80%
HDFC	500.00	16 April 2016	9.80%
	6,500.00		

Note (b): Inter-corporate deposits are repayable on demand and carry rate of interest 9.50 % p.a

Note (c): Balance as on 31 March 2016 includes unsecured loan from HDFC of Rs 2,000 lacs carrying interest rate of 9.8%p.a, repayable in April, 2016. During the year, Company has also taken Export Packing Credit Loan from Bank of America at interest rate of 6.25% p.a.

10. Trade payables

	As at 31 March 2016	As at 31 March 2015
Due to micro, small and medium enterprises	317.83	216.22
Due to others (including acceptances)	22,443.66	20,635.92
	22,761.49	20,852.14

11. Other current liabilities

	As at 31 March 2016	As at 31 March 2015
Current maturities of long-term borrowings (refer note no.5)	1,000.00	666.67
Interest accrued and due on term borrowings	43.04	14.95
Interest accrued and due on inter corporate deposits	12.46	45.79
Interest accrued but not due on borrowings	76.25	88.57
Trade/security deposits received	180.76	107.15
Statutory liabilities	2,005.01	1,612.23
	3,317.52	2,535.36

12. Tangible assets

Rs. in lacs

	Freehold land	Leasehold land	Building	Furniture, fittings and office equipment	Plant and machinery	Vehicles	Total tangible assets
Gross block							
At 1 January 2014	1,485.16	362.87	9,677.02	1,518.42	88,799.37	278.26	102,121.10
Additions	-	-	257.62	225.59	8,192.58	53.97	8,729.76
Disposals	-	-	62.42	116.65	1,767.35	17.56	1,963.98
At 31 March 2015	1,485.16	362.87	9,872.22	1,627.36	95,224.60	314.67	108,886.88
At 1 April 2015	1,485.16	362.87	9,872.22	1,627.36	95,224.60	314.67	108,886.88
Additions	-	-	448.29	103.67	13,447.86	47.82	14,047.64
Disposals	-	-	13.05	94.32	2,094.55	19.89	2,221.81
At 31 March 2016	1,485.16	362.87	10,307.46	1,636.71	106,577.91	342.60	120,712.71
Depreciation							
At 1 January 2014	-	27.85	3,581.74	849.36	47,866.41	191.24	52,516.60
Charge for the year	-	-	410.48	100.24	8,788.52	42.12	9,341.36
Disposals /adjustments	-	27.85	27.08	50.51	1,479.25	4.49	1,589.18
At 31 March 2015	-	-	3,965.14	899.09	55,175.68	228.87	60,268.78
At 1 April 2015	-	-	3,965.14	899.09	55,175.68	228.87	60,268.78
Schedule-II impact	-	-	163.29	130.05	372.42	0.87	666.63
Charge for the year	-	-	317.86	117.04	7,392.52	16.91	7,844.33
Disposals	-	-	5.77	90.92	1,964.62	8.47	2,069.78
At 31 March 2016	-	-	4,440.52	1,055.26	60,976.00	238.18	66,709.96
Net block							
At 31 March 2015	1,485.16	362.87	5,907.08	728.27	40,048.92	85.80	48,618.10
At 31 March 2016	1,485.16	362.87	5,866.94	581.45	45,601.91	104.42	54,002.75

12.1 Intangible assets

	Designs and drawings and patents and trademarks	Total intangible assets
Gross block		
At 1 January 2014	712.11	712.11
Additions	-	-
Disposals	-	-
At 31 March 2015	712.11	712.11
At 1 April 2015	712.11	712.11
Additions	-	-
Disposals	-	-
At 31 March 2016	712.11	712.11
Depreciation		
At 1 January 2014	712.11	712.11
Charge for the year	-	-
Disposals	-	-
At 31 March 2015	712.11	712.11
At 1 April 2015	712.11	712.11
Charge for the year	-	-
Disposals	-	-
At 31 March 2016	712.11	712.11
Net Block		
At 31 March 2015	-	-
At 31 March 2016	-	-

13. Non-current investments

	As at 31 March 2016	Rs. in lacs As at 31 March 2015
Non-trade investments unquoted (valued at cost unless stated otherwise)		
(i) Government securities*		
National savings certificates	1.32	1.32
Less: Provision for diminution in value of investment	(1.32)	(1.32)
	-	-
(ii) Equity shares		
923,000 (Previous Year: 923,000) equity shares of Rs 5 each fully paid in GTZ Securities Limited	46.15	46.15
Less: Provision for diminution in value of investment	(46.15)	(46.15)
	-	-
(iii) Preference shares		
1,00,000 (Previous Year : 100,000) 6% redeemable cumulative preference shares in Nanz Food Products Limited of Rs. 10/-each	10.00	10.00
Less: Provision for diminution in value of investment	(10.00)	(10.00)
	-	-
Aggregate amount of unquoted investment	57.47	57.47
*Deposited with government authority	-	-

14. Long-term loans and advances

Capital advances (Unsecured, considered good)	718.31	1,116.49
Prepaid expenses	10.76	23.08
Advance tax (net of provision of tax Rs.7346.11 lacs (Previous Year: Rs. 2,548.47 lacs)).	340.74	868.95
Security deposits (Unsecured, considered good)	1,317.78	2,276.13
Less: Provision for doubtful security deposits	-	(850.00)
	2,387.59	3,434.65

15. Current investments

At lower of cost and fair value, unless stated otherwise		
Unquoted equity shares		
3,889,600 (Previous Year: 3,889,600) equity shares of Rs 5 each, fully paid in GI Power Corporation Limited (refer note no 42)	194.48	194.48
Less: Provision for diminution in the value of investment	(194.48)	(194.48)
	-	-

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

Raw materials and components (including stock in transit Rs. 484.94 lacs (Previous Year: Rs. 256.53 lacs)	3,485.98	3,189.88
Work-in-progress	6,145.85	6,336.39
"Finished goods(including stock in transit year Rs 4.70 lacs (Previous year Rs 2.60 lacs).	8,164.74	8,584.53
"Traded goods(including stock in transit Rs. 237.60 lacs (Previous Year: 61.44 lacs))"	1,387.99	1,013.55
Stores and spares (including stock in transit Rs. 215.25 lacs (Previous Year: Nil))	1,437.32	1,413.18
Reusable scrap	2.12	7.43
	20,624.00	20,544.96

17. Trade receivables

	As at 31 March 2016	Rs. in lacs As at 31 March 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	49.82	-
Unsecured, considered doubtful	129.57	154.45
	<u>179.39</u>	<u>154.45</u>
Less: Provision for doubtful debts	(129.57)	(154.45)
	<u>49.82</u>	<u>-</u>
Outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	432.07	396.94
Unsecured, considered good	18,691.91	17,820.57
	<u>19,123.98</u>	<u>18,217.51</u>
	<u>19,173.80</u>	<u>18,217.51</u>

18. Cash and bank balances

Cash and cash equivalents		
Cheques in hand	0.15	0.01
Balances with scheduled banks:		
Current accounts	4,454.12	1,284.54
	<u>4,454.27</u>	<u>1,284.55</u>
Other bank balances		
Balances with bank held as margin money		
Deposits with original maturity for more than 3 months but less than 12 months*	1,830.14	1,291.79
	<u>1,830.14</u>	<u>1,291.79</u>
	<u>6,284.41</u>	<u>2,576.34</u>

*Deposits pledge with government authorities as at 31 March 2016 **Rs 912.77 lacs** (as at 31 March 2015 691.79 lacs).

19. Short-term loans and advances

Advances recoverable in cash or kind		
Unsecured, considered good	1,797.15	1,567.71
Unsecured, considered doubtful	107.14	297.40
Less: Provision for doubtful advances	(107.14)	(297.40)
	<u>1,797.15</u>	<u>1,567.71</u>
Security deposit		
Unsecured, considered good	19.30	19.30
Other loans and advances		
Balance with statutory/government authorities	2,851.26	2,266.10
Prepaid expenses	587.46	483.95
	<u>3,438.72</u>	<u>2,750.05</u>
	<u>5,255.17</u>	<u>4,337.06</u>

20. Other current assets

Unsecured considered good unless stated otherwise Earnest Money Deposit	13.32	9.53
Fixed assets held for disposal (at lower of net book value and estimated net realisable value)	2.78	53.52
Interest accrued but not due on deposits	126.35	98.56
Export incentive receivable	396.32	370.61
Insurance claim receivable	40.90	-
	<u>579.67</u>	<u>532.22</u>

21. Revenue from operations (net)

	31 March 2016 Year ended	Rs. in lacs 31 March 2015 Period ended
Revenue from operations		
Finished goods	138,082.58	161,432.84
Traded goods	6,321.57	6,954.14
Other operating revenue		
Export incentives	517.46	477.84
Scrap sales	1,629.88	2,921.06
Revenue from operations (gross)	146,551.49	171,785.88
Less: Excise duty	(13,749.55)	(13,799.17)
Revenue from operations (net)	132,801.94	157,986.71

Details of finished goods sold

Piston rings	30,907.39	44,488.47
Pistons	88,183.00	98,904.52
Valve train	8,517.89	10,435.92
Structural components	534.99	743.00
Steel rings	9,939.31	6,860.93
Total	138,082.58	161,432.84

Details of traded goods sold

Gasket	1,391.93	-
Engine bearings	745.32	1,056.90
Spark plugs	1,751.84	2,789.39
Liners	426.72	850.58
Brake lining	722.85	912.70
Others	1,282.91	1,344.57
Total	6,321.57	6,954.14

22. Other income

Interest income on		
Fixed deposits with banks	132.33	151.07
Others	91.60	91.58
Foreign exchange fluctuation (net)	179.88	2.75
Excess liabilities written back	1,539.18	1,188.74
Miscellaneous income	91.06	443.33
	2,034.05	1,877.47

23. Cost of raw material and components consumed

Aluminium	11,489.03	18,707.74
Pin steel	1,211.61	3,620.94
Silicon	2,054.84	2,323.81
Iron powder	2,227.97	2,974.15
Bought out Pistons	2,899.29	-
Steel wire	119.62	1,481.56
Bought out rings	4,189.95	4,691.01
Others	15,788.93	18,053.11
	39,981.24	51,852.32

24. Decrease / (increase) in inventories

	31 March 2016 Year ended	31 March 2015 Period ended	Rs. in lacs (Increase) / Decrease
Opening stock			
Work-in-progress	6,336.39	4,664.92	1,671.47)
Finished products	8,584.53	6,947.77	(1,636.76)
Trading goods	1,013.55	886.29	(127.26)
Reusable scrap	7.43	-	(7.43)
	15,941.90	12,498.98	(3,442.92)
Less: Closing stock			
Work-in-progress	6,145.85	6,336.39	190.54
Finished products	8,164.74	8,584.53	419.79
Trading goods	1,387.99	1,013.55	(374.44)
Reusable scrap	2.12	7.43	5.31
	15,700.70	15,941.90	241.20
	241.20	(3,442.92)	

25. Purchase of traded goods

	31 March 2016 Year ended	31 March 2015 Period ended
Engine bearings	573.89	817.79
Spark plugs	1,348.92	2,158.70
Liners	328.58	658.05
CV lining	556.59	705.96
Gasket	1,071.78	-
Sintered part	987.85	1,038.94
	4,867.61	5,379.44

26. Employee benefit expenses

Salaries, wages and bonus	23,499.95	26,960.92
Contribution to provident and other funds	1,492.57	1,737.67
Contribution to superannuation fund	122.58	188.22
Gratuity expense (refer note no. 37)	1,623.37	598.32
Staff welfare expenses	2,269.43	3,057.01
	29,007.90	32,542.14

27. Depreciation and amortization expense

Depreciation of tangible assets	7,844.33	9,341.36
	7,844.33	9,341.36

28. Finance cost

Interest		
-to banks	1,906.38	1,648.76
-to others	613.80	1,459.21
Bank charges	119.03	232.74
	2,639.21	3,340.71

29. Other expenses

	31 March 2016 Year ended	Rs. in lacs 31 March 2015 Period ended
Consumption of stores and spares	12,651.24	16,157.26
Sub-contracting expenses	1,962.49	2,905.66
Increase in excise duty on inventory	(44.75)	(13.24)
Power and fuel	8,560.44	10,117.94
Freight and forwarding charges	2,237.29	2,229.87
Rent (refer note no. 35)	260.87	504.75
Rates and taxes	635.39	1,595.91
Insurance	174.19	179.87
Repairs and maintenance		
Plant and machinery	501.87	647.53
Buildings	187.48	428.74
Others	774.61	739.89
Advertising and sales promotion	6,048.31	7,212.71
Management support charges (refer note no.40)	581.32	774.68
Royalty	2,059.01	2,355.91
Provision for warranties (net of reversals)	120.42	112.63
Travelling and conveyance	726.72	1,060.73
Communication costs	155.56	223.20
Corporate social responsibility expenses (refer note no. 43)	124.83	67.30
Printing and stationery	100.53	134.81
Legal and professional fees	782.91	842.39
Cash discounts (net)	159.26	163.62
Auditors remuneration (Refer details below)*	57.08	62.99
Foreign exchange fluctuation (net)	-	503.34
Bad debts / advances written off	185.22	163.25
Provision for doubtful debts and advances	4.17	1,031.27
Loss on sale of fixed assets (net)	187.37	122.13
Environmental maintenance and remediation	703.00	1,288.72
Miscellaneous expenses	1,249.87	1,312.73
	41,137.69	52,926.59
Auditors remuneration*		
-Statutory audit fee	30.25	30.36
-Limited reviews	18.00	18.00
-Tax audit fee	2.00	2.25
-Out of pocket expenses	6.83	12.38
	57.08	62.99

30. Earnings per share

The following reflects the profit and share data used in the basic and diluted EPS computations

Profit for the year as per Statement of Profit and Loss (after adjusting minority interest)	4,759.63	3,950.98
Weighted average number of equity shares in calculating basic and diluted EPS	55,632,130	55,632,130
Nominal value of shares (Rs.)	10	10
Earning per share - basic and diluted	8.56	7.10

31. Segment Information

Based on the guiding principles given in AS-17 'Segmental Reporting' notified under section 133 of the Companies Act 2013, read to together with Company (Accounts) Rules, 2014, 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

	Rs. in lacs	
	31 March 2016 Year ended	31 March 2015 Period ended
India	113,939.85	135,727.39
Other countries	16,714.75	18,860.42
	130,654.60	154,587.81

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

Particulars	As at 31 March 2016	As at 31 March 2015
India	15,717.64	14,310.50
Other countries	3,456.16	3,907.01
	19,173.80	18,217.51

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

32. Capital and other commitments

Total estimated amount of contracts, remaining to be executed on capital account and not provided for as at 31 March 2016 is **Rs: 2,752.48 lacs** (Previous year Rs: 2,103.94 lacs).

33. Contingent Liabilities

Particulars	As at 31 March 2016	As at 31 March 2015
(i) Excise duty		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeal and show cause notices/ orders on the same issues for other periods	218.63	218.63
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	151.60	113.81
(c) Show cause notices on issues yet to be adjudicated	-	-
Total	370.23	332.44
(ii) Service tax		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeal and show cause notices/ orders on the same issues for other periods	329.80	255.52
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	3,960.33	5,950.02
(c) Show cause notices on issues yet to be adjudicated	-	-
Total	4,290.13	6,205.54

Particulars	As at 31 March 2016	As at 31 March 2015
(iii) Sales tax		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeal and show cause notices/ orders on the same issues for other periods	28.70	-
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	2,759.45	2,250.91
(c) Show cause notices on issues yet to be adjudicated	-	-
Total	2,788.15	2,250.91
(iv) Income tax		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals	209.47	209.47
(b) Cases pending before Appellate authorities/ Dispute resolution panel in respect of which the Company has filed appeals	579.08	581.68
(c) Show cause notices on issues yet to be adjudicated	46.94	25.72
Total	835.49	816.87
(v) Others		
(a) Bank guarantees	1,023.57	596.25
(b) Employee related cases	321.14	286.05
(c) Electricity demand	52.24	52.24
Total	1,396.95	934.54

34. Related Party Transactions

(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. Vinod Kumar Hans, Managing Director (w.e.f Jan 1, 2016)
 - Mr. Andreas Wilhelm Kolf, Managing Director (resigned on Dec 31, 2015)
 - Mr. Manish Chadha, CFO and Director (CFO : w.e.f June 1, 2015 and Director: w.e.f Feb 5, 2016)
 - Mr. Rajesh Sinha, Additional Director (w.e.f Jan 1, 2016)
 - Mr. Sachin Selot, CFO and Whole Time Director (resigned on May 26, 2015)
 - Mr. Khalid Iqbal Khan, Whole Time Director (w.e.f May 22, 2015) and Company Secretary
 - Mr. Anand Kumar Sahoo, Company Secretary
 - Mr. Ashish Kaul, Manager (w.e.f May 22, 2015)
 - Mr. S Raghavendra, Manager (resigned as manager on May 22, 2015)
- (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 Anand Bearings India Ltd (India)
 - Federal-Mogul Ignition Products India Ltd (India)
 - Federal-Mogul Motorparts Ltd. (India)
 - Federal-Mogul Powertrain Solutions India Private Limited (India) (Formerly known as Federal-Mogul PTSB India Pvt. Ltd. (India))
 - Federal Mogul Anand Sealing India Limited (India)
 - Motocare India Private Limited (India).

Those transactions along with related balances as at 31 March 2016 and 31 March 2015 are presented in the following table:

(Rs in lacs)

Particulars	Ultimate Holding Company Federal Mogul Corporation (USA)	
	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015
Sales	(6,838.87)	(7,976.09)
MOQ income	(6.53)	(134.90)
Purchase/(Sale) of fixed assets	-	(0.51)
Purchase of raw material	69.37	49.78
Reimbursement of expenses paid	27.23	95.45
Reimbursement of expenses (received)	(108.94)	(141.52)
Balance outstanding as at the end of the year (payables)	(19.36)	(34.86)
Balance outstanding as at the end of the year receivables	1,602.15	1,935.95

(Rs in lacs)

Particulars	Fellow Subsidiaries							
	Federal-Mogul Bradford Limited (Germany)		Federal-Mogul Burscheid GMBH, (Germany)		Federal-Mogul Gorzeye S.A (Poland)		Federal-Mogul Dongsuh Piston Co.Ltd. (China)	
	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015
Sales	-	-	(88.97)	(6.64)	-	-	-	-
Purchase of raw material	1,312.65	1,285.77	1,093.24	2,712.41	17.66	0.98	-	-
Purchase / (Sale) of Fixed Assets	-	-	2,270.69	1,023.38	-	-	-	-
Reimbursement of expenses paid	(0.90)	-	11.37	6.26	-	0.17	-	-
Reimbursement of expenses (received)	4.12	-	-	(1.36)	-	-	-	-
Service Income	-	-	-	-	-	-	-	(254.62)
Royalty Expenses	-	-	786.83	626.69	-	-	-	-
Balance outstanding as at the end of the year (payables)	(314.38)	(192.43)	(1,230.76)	(930.62)	(17.34)	-	-	-
Balance outstanding as at the end of the year receivables	-	-	54.96	-	-	-	238.58	212.24

(Rs in lacs)

Particulars	Fellow Subsidiaries							
	Federal-Mogul Nurnberg, GMBHI (Germany)		Federal-Mogul Thailand Manufacturing Ayutthaya (Thailand)		Federal-Mogul Holding Deutschland (Germany)		Federal-Mogul Friction Products Ltd. (Thailand)	
	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015
Sales	(19.18)	(3.62)	(2,348.77)	(2,625.70)	-	-	-	-
Purchase of raw material	140.13	399.28	-	-	-	-	-	1.80
Purchase / (Sale) of Fixed Assets	51.21	674.10	-	-	-	-	-	-
Management Support charges paid	-	-	-	-	579.87	774.70	-	-
Reimbursement of expenses paid	4.81	4.44	-	-	-	-	-	1.02
Reimbursement of expenses (received)	3.90	-	-	-	-	15.34	-	(1.02)
Royalty Expense	731.15	884.91	-	-	-	-	-	-
Balance outstanding as at the end of the year (payable)	(714.47)	(1,049.45)	-	-	(348.41)	(215.06)	(1.80)	(1.80)
Balance outstanding as at the end of the year receivables	-	-	60.93	451.47	-	-	-	-

(Rs in lacs)

Particulars	Fellow subsidiaries			
	Federal Mogul Sintered Products Limited, (U.K)		Other fellow subsidiaries	
	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015
Sales	-	(40.80)	(611.92)	(611.83)
Purchase of raw material	34.08	7.19	119.39	26.15
Purchase / (Sale) of Fixed Assets	-	89.87	238.18	-
Trade Mark & license fees	-	-	144.56	127.48
Reimbursement of expenses paid	(0.48)	-	1.96	3.65
Reimbursement of expenses (received)	(0.19)	(0.09)	(2.23)	(1.02)
Royalty Expense	256.53	366.18	-	-
Balance outstanding as at the end of the year (payable)	(92.41)	(76.32)	(54.31)	(136.73)
Balance outstanding as at the end of the year receivables	-	-	82.48	454.80

(Rs in lacs)

Particulars	Fellow subsidiaries											
	Federal Mogul Anand Bearings India Ltd. (India)		Federal Mogul Ignition Products India Ltd. (India)*		Federal Mogul Motorparts India Ltd. (India)**		Federal Mogul Powertrain Solutions India Private Ltd.		Motocare India Private Ltd. (India)		Federal Mogul Anand Sealing India Limited	
	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015
Sales (including excise duty)	-	-	-	-	-	-	-	-	(139.56)	-	-	-
Purchase of raw material, intermediaries and finished goods	417.25	697.64	1,269.07	2,500.21	506.97	910.65	(2.21)	-	-	-	1,778.44	-
Reimbursement of expenses paid	15.23	672.49	3.07	76.41	15.54	4.59	32.07	19.20	40.85	-	1.09	-
Reimbursement of expenses (received)	(163.79)	(1,133.15)	(74.04)	(491.29)	(24.14)	(95.85)	(518.81)	(382.96)	-	-	(26.87)	-
Inter-corporate deposit (ICD) Taken	-	-	-	100.00	-	-	1,000.00	2,000.00	-	-	-	-
Inter-corporate deposit (ICD) repaid	-	-	-	(500.00)	-	-	(4,500.00)	(2,700.00)	-	-	-	-
Interest on the above ICD	-	-	(156.70)	247.19	-	-	(36.74)	687.67	-	-	-	-
Balance outstanding as at the end of the year (payable)	(155.63)	(109.70)	(1,609.83)	(1,908.91)	(34.40)	(11.88)	(681.40)	(4,189.36)	(40.85)	-	(236.30)	-
Balance outstanding as at the end of the year receivables	-	-	-	-	-	-	52.02	24.18	60.11	-	-	-

* Federal Mogul Ignition Products India Limited (India), payables includes **Rs 1,525 lacs** (Previous year Rs 1,525 lacs) payable against Inter corporate deposits taken and **Rs. 12.24 lacs** (Previous year Rs 12.24 lacs) payable against the interest on the same.

** Federal Mogul Powertrain Solutions India Private Ltd, payables includes **Rs 679.99 lacs** (Previous year Rs 4,180 lacs) payable against Inter corporate deposits taken and **Rs 1.41 lacs** (Previous year Rs 33.55 lacs) payable against the interest on the same.

Particulars	Fellow Subsidiaries					
	Federal Mogul UK Investment Limited	Teikoku Piston Rings	Federal Mogul Sistemias	Federal Mogul Burschied	Federal Mogul Motorparts India Ltd	
Purchase of raw materials, intermediaries and finished goods (incl. excise duty)	171.50	50.27	-	0.22	12.02	-
Dividend Paid / Proposed	214.38	171.50	-	-	-	-
Royalty Expense	-	146.73	-	-	-	-
Reimbursement of Expenses paid	-	-	4.58	-	-	0.22
Balance outstanding as at the end of the year (payable)	-	(52.03)	-	(0.22)	(12.14)	-
Balance outstanding at the end of the year (receivable)	-	-	-	-	-	0.22

(Rs in lacs)

Key Managerial Personnel			
Particulars	Mr Vinod Kumar Hans	Mr Andreas Wilhelm Kolf	Mr Sachin Selot
1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 January 2014 to 31 March 2015	1 January 2014 to 31 March 2015
28.05	297.00	576.95	122.01
Remuneration	-	12.44	44.96
			Mr Manish Chadha
			1 April 2015 to 31 March 2016
			1 January 2014 to 31 March 2015
			-

Key Managerial Personnel			
Particulars	Mr Khalid Iqbal Khan	Mr Rajesh Sinha	Mr. Anand Kumar Sahoo
1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 January 2014 to 31 March 2015	1 January 2014 to 31 March 2015
57.09	68.69	19.74	17.03
Remuneration	-	13.29	3.22
			Mr. S Raghavendra
			1 April 2015 to 31 March 2016
			1 January 2014 to 31 March 2015
			27.08

Key Managerial Personnel		
Particulars	Mr. Ashish Kaul	Total
1 April 2015 to 31 March 2016	1 January 2014 to 31 March 2015	1 January 2014 to 31 March 2015
22.75	-	502.29
Remuneration	-	808.02

Note: Above remuneration details for current year are related for 12 months and previous year for 15 months from January 2014 till March 2015.

35. Operating lease		Rs. in lacs	
a) Assets taken under operating lease			
Period	31 March 2016 Year ended	31 March 2015 Period ended	
1. Lease payments for the year	260.87	504.75	
2. Minimum lease payments			
a. Not later than one year	207.05	262.31	
b. Later than one year and not later than five years	133.47	320.79	
c. Later than five years	-	-	
b) Assets given under operating lease			
1. Uncollectible minimum lease payments receivable at the Balance sheet date	-	-	
2. Future minimum lease payments receivable:			
a. Not later than one year	78.00	-	
b. Later than one year and not later than five years	312.00	-	
c. Later than five years	-	-	
b) The lease payment recognise in the statement of profit and loss for the year is Rs 260.87 lacs (31 March 2015 Rs 504.75 lacs).			

36. Unhedge foreign currency exposure

Particulars	Currency	As at 31 March 2016 Rs.(in lacs)	As at 31 March 2016 (Foreign currency in lacs)	Year ended 31 March 2016 (Rates, 1 unit of Foreign currency equivalent INR)	As at 31 March 2015 Rs.(in lacs)	As at 31 March 2015 (Foreign currency in lacs)	Year ended 31 March 2015 (Rates, 1 unit of Foreign currency equivalent INR)
Creditors	CHF	0.56	0.01	68.54	2.64	0.04	66.13
Creditors	EUR	1,582.14	21.07	75.10	2,101.46	30.38	69.17
Creditors	GBP	324.68	3.41	95.09	197.48	2.09	94.59
Creditors	JPY	176.88	299.49	0.59	141.04	264.82	0.53
Creditors	SEK	-	-	-	13.42	1.79	7.51
Creditors	USD	1,055.79	15.92	66.33	1,029.56	16.10	63.93
Debtors	EUR	1,030.98	13.73	75.10	1,083.87	16.39	66.13
Debtors	JPY	-	-	-	33.99	66.66	0.53
Debtors	USD	2,396.68	36.13	66.33	2,405.04	39.29	61.21
Advance to suppliers	CHF	0.56	0.01	68.54	-	-	-
Advance to suppliers	EUR	162.18	2.16	75.10	1,003.55	14.51	69.17
Advance to suppliers	GBP	5.57	0.06	95.09	86.34	0.91	94.59
Advance to suppliers	JPY	98.02	165.96	0.59	10.88	20.44	0.53
Advance to suppliers	SEK	-	-	-	19.44	2.59	7.51
Advance to suppliers	USD	522.55	7.88	66.33	116.87	1.83	63.93

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

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services, gets a gratuity on departure at 15 days basic salary (last drawn) for each completed year of service on terms not less favourable than the provisions of the payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The following tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

Statement of Profit and Loss

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

Particulars	31 March 2016 Year ended	31 March 2015 Period ended
Current service cost	370.86	446.62
Interest cost on benefit obligation	599.18	775.85
Expected return on planned assets	(369.53)	(330.05)
Net actuarial loss/ (gain) recognized in the year	1,022.86	(294.10)
Net benefit expense	1,623.37	598.32

Balance Sheet Particulars	Rs. in Lacs	
	As at 31 March 2016	As at 31 March 2015
Details of provision for gratuity		
Defined benefit obligation	9,383.73	8,383.34
Less: Fair value of plan assets	(4,558.57)	(4,347.50)
Plan liability	4,825.16	4,035.84

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

Particulars	As at 31 March 2016	As at 31 March 2015
Opening defined benefit obligation	8,383.35	7,796.95
Interest cost	599.18	775.86
Current service cost	370.86	446.62
Benefits paid directly by the company	(4.05)	(155.40)
Benefits paid from the fund	(956.84)	(996.11)
Actuarial loss on obligation	991.23	515.42
Closing defined benefit obligation	9,383.73	8,383.35

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

Particulars	As at 31 March 2016	As at 31 March 2015
Opening fair value of plan assets	4,347.50	3,454.03
Expected return	369.54	330.05
Contributions by employer	830.00	750.00
Benefits paid	(956.84)	(996.11)
Actuarial (loss)/ gains	(31.63)	809.53
Closing fair value of plan assets	4,558.57	4,347.50

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:- [AS15 Revised Para 120 (h)]

Particulars	As at 31 March 2016 %	As at 31 March 2015 %
Investments with insurer	100	100

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.

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

Discount rate	7.50% p.a.	7.75% p.a.
Expected rate of return on plan assets	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.)

Particulars	As at 31 March 2016	As at 31 March 2015	As at 31 December 2013	As at 31 December 2012	As at 31 December 2011
Defined benefit obligation	9,383.73	8,383.35	7,796.95	7,718.21	6,585.75
Plan assets	4,558.57	4,347.50	3,454.04	3,758.65	3,812.62
Deficit	4,825.16	4,035.85	4,342.92	2,733.29	2,549.81
Experience adjustments on plan liabilities	730.23	520.71	491.22	371.81	505.45
Experience adjustments on plan assets	(31.64)	29.56	328.26	348.35	180.08

38. Expenses capitalised

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

Particulars	Rs. in lacs	
	31 March 2016 Year ended	31 March 2015 Period ended
Salaries, wages and bonus	29.80	35.38
Any others exp	39.91	39.89
Total	69.71	75.27

39. Provision for regulatory matters

During the year ended 31 December 2010, the Company 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. 439.46 lacs is included under Note no. 8 for provisions which are net of amounts utilized of Rs. 305.50 lacs during the year towards remediation.

In addition to the above, the provision for regulatory matters includes a provision of Rs. 1,384.83 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.

40. Management support charges

During the year 2015-16, the Company has paid management support charges to its group companies of Rs 581.32 lacs (31 March 2015 Rs 774.68) in respect of certain application engineering services provided to the Company. The Company carries out its transfer pricing study annually 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, 2015 to March 31, 2016, 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. 581.32 lacs as allowable expenditure.

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

42. During the year 2014-15 the Company had entered into a power purchase agreement with Real Captive Power (RCP) and paid Rs. 850 lacs as Refundable Security Deposit which was recoverable in 5 equal instalments beginning from 7th to 11th year. Further, the Company had purchased 26% equity shares in RCP for Rs 26 Lacs, in order to be eligible as a captive user for sourcing power at a cheaper rate from RCP. As RCP was a newly incorporated company, recoverability of security deposit would solely be dependent on the financial position of RCP at the time of repayment, therefore, on a conservative basis, the management created a provision of Rs. 850 lacs and the same was duly provided for in the books of accounts of the Company in March 2015. Now, in view of delay in the start of power supply by RCP, RCP has refunded the said security deposit of Rs. Rs. 850 lacs. The same amount which had already been provided for during the year ended March 2015 has been reversed now and shown as part of other income. Further, the Company has also disposed off the 26% equity holding in RCP at cost.

43. **Corporate Social Responsibility (CSR)** a) Gross amount required to be spent by the Company during the year (including brought forward from previous year) in compliance with section 135 of the Act is Rs 174.01 Lacs

b) Amount spent during the year	in cash	yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purpose other than (i) above			
- Educational activities	92.66	-	92.66
- Social Activities	11.92	-	11.92
- Health related activities	14.75	-	14.75
- Others	5.50	-	5.50

During the year the Company has spent an amount of Rs. 124.83 lacs on CSR activities. The balance amount of Rs 211.75 is proposed to be spent during the next year along with the amount (Rs 162.58 lacs) to be allocated for financial year 2016-17.

44. Previous year/period numbers have been regrouped/ reclassified, wherever considered necessary. Last year, the Company has changed the financial year from January - December to April - March . Pursuant to change in financial year the previous period financials has been prepared from January 1, 2014 to March 31, 2015 (i.e 15 months).

For Walker Chandiok & Co. LLP
(Formerly Walker Chandiok & Co)
Chartered Accountants

per **Anamitra Das**
Partner
Membership No.: 062191

Place: Gurgaon
Date: 13th May 2016

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

Vinod Kumar Hans
Whole Time Managing Director
DIN : 03328309

Manish Chadha
Chief Finance Officer & Finance Director
DIN : 07195652

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

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