



**Federal-Mogul Goetze (India) Limited**  
**A Tenneco Group Company**  
Corporate Office : Paras Twin Towers,  
10th Floor, Tower B, Sector 54,  
Golf Course Road, Gurugram - 122 002  
Tel. : (91-124) 4784530 • Fax : (91-124) 4292840

**Date: 22<sup>nd</sup> September, 2020**

1. Listing Department (Fax: 022-22723719 /22722037/  
BSE Limited 22722041 /22722061/  
Phiroze Jeejeebhoy Towers 22722039 /22658121)  
Dalal Street, Mumbai 400001
  
2. Listing Department (Fax: 022-26598237/26598238)  
National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (East), Mumbai 400051

**Subject: Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 – Annual Report 2019-20**

Dear Sir/ Ma'am,

Pursuant to the provisions of Regulation 34 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed the 65<sup>th</sup> Annual Report of FY 2019-20 of Federal-Mogul Goetze (India) Limited.

Thanking you,

Yours faithfully,

For **Federal-Mogul Goetze (India) Limited**

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

Encl.: As above

CC:

National Securities Depository Limited  
Trade World, 4<sup>th</sup> Floor  
Kamala Mills Compound  
Lower Parel, Mumbai 400 013

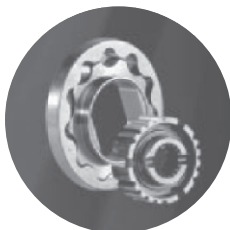
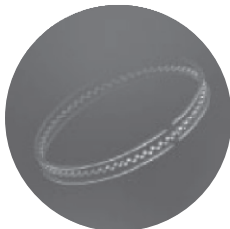
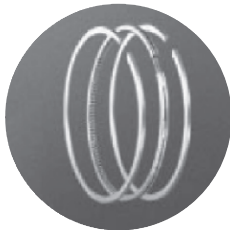
Central Depository Services (India) Limited  
Marathon Futurex A-Wing  
25<sup>th</sup> Floor NM Joshi Marg,  
Lower Parel, Mumbai 400 013

# FEDERAL-MOGUL GOETZE (INDIA) LIMITED



**65<sup>th</sup> Annual Report - 2019-20**

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**BOARD OF DIRECTORS**

**Chairman & Director**

Mr. K. N. Subramaniam



**Whole Time Managing Director**

Mr. Vinod Kumar Hans

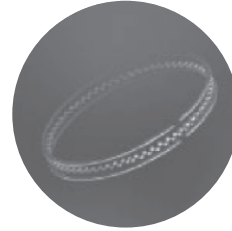


**Whole Time Director - Legal & Company Secretary**

Dr. Khalid Iqbal Khan

**Chief Finance Officer & Finance Director**

Mr. Manish Chadha



**Directors**

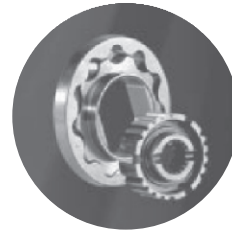
Mr. Sunit Kapur

Mr. Rajesh Sinha

Mr. Stephan Shaun Merry

Mr. K C Sundareshan Pillai

Ms. Nalini Jolly



**Auditors**

M/s. Walker, Chandio & Co. LLP

**REGISTRAR AND SHARE TRANSFER AGENTS**

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

**REGISTERED OFFICE**

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

**WORKS**

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

**KEY BANKERS**

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

## TEN YEAR'S FINANCIAL REVIEW

(Rs. in lacs)

	March 2020	March 2019	March 2018	December 2017	December 2016	December 2015 (15 months)	December 2013	December 2012	December 2011	December 2010
Total Income (gross)	<b>109,115.27</b>	134,747.24	136,221.30	141,345.50	150,128.05	170,452.08	126,832.80	131,370.48	126,312.25	102,405.62
Depreciation	<b>8,862.75</b>	8,151.33	7,343.32	7,643.33	7,517.68	8,937.31	6,613.55	6,193.52	5,365.89	4,822.46
Profit before Tax	<b>2,091.19</b>	13,310.20	13,643.81	10,974.58	7,180.15	4,745.73	3,035.85	(1,383.93)	4,864.01	4,569.31
Taxation (adjmt for excess provision for prev.yr. written back if any)	<b>19.57</b>	4,755.24	5,109.62	3,780.76	2,779.51	1,610.19	977.29	251.82	1,117.84	1,130.39
Profit after Tax	<b>2,071.62</b>	8,554.97	8,534.19	7,193.82	4,400.64	3,135.54	2,058.56	(1,635.74)	3,746.17	3,438.92
Dividend	-	-	-	-	-	-	-	-	-	-
Dividend Tax	-	-	-	-	-	-	-	-	-	-
Retained Profit/(Loss)	<b>2,071.62</b>	8,554.97	8,534.19	7,193.82	4,400.64	3,135.54	2,058.56	(1,635.74)	3,746.17	3,438.92

### Assets Liabilities & Net Worth

	March 2020	March 2019	March 2018	December 2017	December 2016	December 2015	December 2013	December 2012	December 2011	December 2010
Fixed Assets	<b>55,705.18</b>	56,877.36	54,712.22	54,088.36	55,247.43	52,409.45	50,710.79	49,557.25	46,346.75	39,043.60
Investments	<b>516.94</b>	516.94	513.25	513.25	510.00	510.00	510.00	510.00	2,092.34	2,092.34
Indebtedness	-	6,661.45	6,812.67	11,593.22	20,132.59	21,975.54	20,244.13	19,021.30	15,384.40	8,648.74
Share Capital	<b>5,563.21</b>	5,563.21	5,563.21	5,563.21	5,563.21	5,563.21	5,563.21	5,563.21	5,563.21	5,563.21
Reserves	<b>69,849.17</b>	67,777.55	59,222.58	50,688.39	43,494.57	39,514.26	36,378.72	34,320.16	35,955.90	32,209.74
Net Worth	<b>75,412.38</b>	73,340.76	64,785.79	56,251.60	49,057.78	45,077.47	41,941.93	39,883.37	41,519.11	37,772.95

### Significant Ratios

	March 2020	March 2019	March 2018	March 2017	March 2016	Dec 2015	Dec 2013	Dec 2012	Dec 2011	Dec 2010
<b>A. Measurement of Investment</b>										
Percentage of Return on Investment (annualised)	<b>2.69</b>	17.56	19.57	16.02	10.54	7.34	5.01	(2.40)	9.41	10.06
Percentage of Return on Equity(annualised)	<b>2.81</b>	19.27	22.54	20.84	15.25	10.91	7.42	(3.40)	12.27	12.67
Dividend Cover (Ratio)	-	-	-	-	-	-	-	-	-	-
<b>B. Measurement of Performance</b>										
Percentage of Profit before Tax to sales	<b>1.96</b>	10.09	10.20	7.91	4.91	2.85	2.44	(1.06)	4.05	4.72
Percentage of Profit after Tax to sales	<b>1.94</b>	6.49	6.38	5.19	3.01	1.88	1.65	(1.26)	3.12	3.55
<b>C. Measurement of Financial Status</b>										
Percentage of term Loans to Tangible Net Worth	-	-	-	0.08	0.23	0.20	0.18	0.10	1.93	3.18
Current Ratio	<b>1.90</b>	1.61	1.39	1.20	0.98	0.93	0.90	0.83	1.04	1.12
<b>D. General</b>										
Dividend per Equity Share (Rs.)	-	-	-	-	-	-	-	-	-	-
Earnings per Equity Share (Rs.) (annualised)	<b>5.36</b>	14.83	14.91	13.33	7.91	5.64	3.70	(2.94)	6.73	6.18
Book Value per Equity Share (Rs.)	<b>135.56</b>	131.83	116.45	101.11	88.18	81.03	75.39	71.69	74.63	67.90

## CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The last few years have seen a plethora of companies increase their Corporate Social Responsibility (CSR) contribution in compliance with the Companies Act 2013. Our mission has been to identify the basic needs and requirements in the community and try to address them through cohesive efforts of our NGO partners.

Federal-Mogul Goetze (India) Ltd. commits itself to contribute to the society, discharging its corporate social responsibilities through initiatives that have positive impact on society at large, especially the community in the neighbourhood of its operations by improving the quality of life of the people.

Education is the building block for achieving national objectives and breaking the poverty cycle which denies millions a better life. Our education initiatives are, therefore, designed to encourage higher enrolment into schools through a multi-pronged approach focusing on infrastructure, educational material and capacity building.

In response to the Government's 'Swachh Bharat Abhiyan', we conducted 'Clean India' and 'Tree Plantation' drives at various locations. Being a part of the bigger picture, the Company has realised the need of the hour which is to ensure environmental sustainability and focus on conservation of natural resources.

Sustainable development of India could happen only through greater economic empowerment and equal participation of women in the economic activities which require creation of opportunities to earn livelihoods. Empowering Women and encouraging their entrepreneurial spirit is a vital aspect of our CSR objectives.

Through our skill development programme, we have revolutionised education sector with skill integration. We have set up a well equipped workshop providing practical training by full time trainer hired by the Company.

## OUR RESPONSE TO COVID - 19

As the COVID -19 pandemic continues to impact people around the world, we are seeing a more acute impact on businesses every day. Most of our major customers had to shut down plants, reduce spending and take steps to weather this sudden and unprecedented storm. The India leadership team is closely monitoring the COVID -19 situation, listening carefully to the advice and direction from government authorities, health agencies, our customers and our team members during this unprecedented time.

These are difficult times for our industry, our company, our communities and our families and we are confident that we can and we will overcome this challenge.

FMGIL is also working with various NGO's to provide support to vulnerable families, children and communities who are in desperate need of lifesaving support including PPE (Personal Protection Equipment), Sanitizing kits, cooked meals at Rehabilitation Centres and Grocery kits (containing Rice, Flour, Dals, Masala, Onion and Oil) at various locations.



## Corona Virus Awareness Campaign

- With COVID - 19 threatening to spread like wildfire, we are sure everyone is taking the necessary precautions and preventive actions. While everyone including the Government agencies are taking all possible steps to ensure safety, the company had launched the Corona Virus Awareness Campaign at various locations with the support of various NGOs.

- In the schools managed by the NGO's in Gurugram, Bangaluru and Parwanoo, the Instructors / teachers shared crucial information about this virus with the students.



They were then assigned the roles of the 'Good Samaritan', which makes it a mandate for them to share the information received at school from teachers and from the display boards put up in the campus, with their families and neighbours.

We appreciate efforts made by our NGO Partners by helping in spreading the awareness regarding Corona Virus.

## Life at SOS Children’s Village during COVID -19 at the units taken over by the company at Bengaluru and Rajpura

With schools temporarily shut down and outdoor activities prohibited, it is important that an alternative academic calendar is followed to keep the children engaged. The children were kept involved through various educational and creative sessions conducted as detailed below:

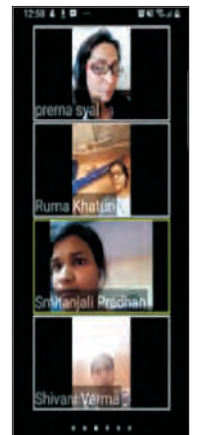
- Session on hygiene & safe hand washing practices
- Session on Preventive Measures for COVID -19
- Daily activities ranging far and wide from Yoga, traditional games, recital of shlokas, storytelling, cooking to kitchen gardening and a lot more.
- Connecting children with the nature, engaging them into drawing and painting.
- The walls and surroundings in the Village have become a showcase of their artworks and imaginations which went beyond the little brains.
- Senior children are attending their classes through class rooms.



Apart from this a team at National Office has been formed to ensure complete safety of all children and co-workers. The village is complying with directives of Government under the lockdown.

## Virtual Learning During COVID - 19 At Vidya

- Due to the postponement of examinations of NIOS students, Vidya continues to engage and encourage the students to stay focused and effectively utilize this time. NIOS, Gurugram Centre conducted online classes through SWAYAM App to assist them in their preparation for the exams.
- The Remedial Education program at IIT, Delhi has created WhatsApp Group for Grade X & XII NIOS students enrolled in our program. The teachers are diligently working and making the most of this extra time. They are answering the students’ queries and uploading last years’ question papers in their respective groups.



During the COVID crisis, the NGO Prayas was connected with each and every child. They personally contacted with each family to provide them with the 'Family Ration Kit' comprising of Rice-10 Kg, Wheat-10 kg, Pulses-5 kg, Sugar-2 Kg, Salt-1 Pkt, Spices (Dhaniya-100 gm, Haldi-100 gm and Mirchi-100 gm), Tea Packet-500 gm, 3 Dettol Soap and Sanitary Pads, Face Mask for the family size of 6 people for two weeks.

**Initiatives By  
NGO Prayas  
During COVID19**

## ONGOING PROJECTS IN THE YEAR 2019-2020

The Company continues its support to all the existing projects in Education, Rural Development, Preventive Health Care, Women Empowerment and Employment Enhancing Vocational skill.

### Women Empowerment

#### i) Driving Lessons

You would be proud to know that the Company has launched the Taxshe programme in Gurgaon under its women empowerment programme. It's a car service featuring only women drivers and catering only to women and children. We are training women from low income backgrounds to not only become drivers but also entrepreneurs.

We are pleased to inform that Ford India has reinforced our noble cause by donating 2 vehicles, Ford Figo and Ford Aspire to Neeva Foundation. After receiving the simulator driven classroom training at Maruti's Driving school, the women can now practice vehicle controls on road, to get confidence to drive independently.

Training Summary 2019 - 20	Completed
Total Trainees (- dropouts)	51
In Training	28
Offered Job On Completion	23
Employed with Taxshe	8
Employed with Others	15
Did Not accept any offer	0
<b>Total</b>	<b>23</b>



#### ii) Setting up Production Unit at Bhiwadi in association with NGO Khushii

- This project is aimed at empowering women to make them self-sufficient, self-reliant, financially independent and eventually an entrepreneur. Some women have already started their own uniform stitching shop and others have joined together to form SHG and are getting plenty of tailoring orders from corporate.
- Ladies of Vocational Training Centre Bhiwadi got the opportunity to kick start their journey of financial independence with "Go Green" project, which is an initiative taken by FMGIL. This was covered by the local newspapers too.

SHG Women also got an order from HCL Foundation, Noida for stitching 5000 Nos. Marteen Cloth Bags to support HCL's 'Save Environment' drive. This has boosted their skills as well as selfconfidence to perform professionally.





**Women Empowerment**

**iii) School uniform stitching order for SHG Ladies –**

The Production unit also had orders from various schools for stitching school uniforms. With whole hearted efforts the said order was completed in scheduled time framework while maintaining quality of stitching.



**iv) Convocation Ceremony at Tailoring centre**

The Convocation Ceremony of the 3rd & 4th Batch of Tailoring Training Center at Bhiwadi was organized in the premises of Govt. Primary School, Harchandpur. Course completion certificates were distributed to all 66 women along with Electric Iron as a motivational gift. School children and women spread the message of Environmental Protection through cultural performance.

Mr. Anil Kaushik - Chief District Education Officer Alwar, Shri Ram Dayal, School Headmaster, Senior Executives from FMGIL System Protection, Team FMGIL Bhiwadi, Khushii NGO's volunteers, teachers and other dignitaries from Harchandpur village were present at this event.

School Uniforms were also distributed to all the students of Govt Primary School Harchandpur. These uniforms too were stitched by our SHG Group.

Vocational Training Centre at Bengaluru & Bhiwadi received Mask stitching order daily 1000Nos from local vendors.



**Women Empowerment**

**iv) Vidya Silai Centre at Gurugram**

This year the Silai Centre in Gurugram saw significant growth, both in terms of outreach and the skills imparted. Our beneficiaries at the Silai program learned two major art forms, kantha and crochet, along with their basic training in sewing and tailoring. The women were grouped together to begin their own production work and exhibited their artifacts at many places like at the PNBHFL Diwali Mela, ELSA's Basant Mela and Deutsche Bank's International Conference.



In our efforts to transform lives through the continuous enhancement of knowledge and empowerment, FMGIL continued its funding to the schools being run for under privileged children.

**Ghar Angna**

We have been supporting this NGO since 2015. Besides giving basic education, the aim is to give an all around experience to these children. We have started a new initiative effective 2nd July 2019 for running evening sessions to support children who are unable to attend usual school timings; 40 new students have enrolled to this program.

**Prayas**

Prayas was able to introduce 'Smart Classes' with support of our company.



**Education**



**Ishwar**

We have completed one year of association with NGO Ishwar. Besides offering Non-Formal Education (NFE) for non-school-going children, we have adopted a holistic approach covering school curriculum, sports, dance, drama, music and participating in District / State / National competitions.

Chess - Children at Ishwar learn Chess under the guidance of Tania Sachdev, Women Grandmaster and their children have competed in many Chess Competitions.

ISHWAR tied up with Shiamak Davar's Institute of Performing Arts to impart specialised dance training to our children. They are also given an opportunity to showcase their dancing skills on stage during the Summer & Winter Funk Shows of Shiamak Davar.



**Vidya IIT Campus**

Its amazing to see youth with the fire in their belly, fighting the scorching summer sun and coming all the way from different areas to our VIDYA's community center at IIT Delhi to study. If you ever get to interact with our students who are enrolled in the NIOS programme at IIT, you will definitely see how ambitious they are, the zeal they have to grow and excel in life, fighting the odds that life throws at them. They have come a long way with the right guidance and support from our lovely teachers at VIDYA. Each one of them holds immense potential ready to be unleashed, to create their own bright future, shaping them into sensible, sensitive and responsible youth of our Nation.

**Vidya - Accreditation of Vidya NIOS School**

Our Vidya School have secured accreditation for admitting 300 students in the NIOS Program commencing from April 1, 2019. It has now become an official exam center for Open School.

The VIDYA NIOS Bridge Course gives youth who have dropped out of school a second chance at completing their education up till class XII. Besides regular classes, students participate in extracurricular activities of sports, dance, drama, computer basics, English speaking and other awareness programs.

We are proud to share that Britt World Wide Global, one of the largest education and training companies with its headquarters in South Carolina and with a presence in 80 countries, identified Vidya for the 'Inspire Parivartan Award' in the youth empowerment category.

This award is a great encouragement towards acknowledging our efforts and rewarding the accomplishments and contributions of our Vidya Team for effective implementation of our youth empowerment programs namely NIOS, Vidyadeep and computer NIIT initiatives being supported by FMGIL.



## Employment Enhancing Vocational Skills

### Visit to Plant by Students of Technical Training centre at SNS Gurgaon

With an aim to go beyond academics, our students from Technical Training Centre at SNS Foundation visited our Patiala Plant. This valuable visit enhanced our students knowledge on engine, they understood the concept of piston, piston ring, piston pin & also got awareness on safety hazards. Students returned very motivated to see our state-of-the-art shop floors.

Industrial visits provide students a practical perspective of the work place. It provided them with an opportunity to learn through interaction, working methods and employment practices. It also helps to combine theoretical knowledge with practical knowledge.

We wish these trainees a successful career ahead.



## Preventive Health Care

### Development of subsidiary Health Centre at Bahadurgarh

While the tertiary care in India has developed substantially, primary care needs to grow significantly. Primary healthcare denotes the first level of contact between individuals and families with the health system. Private hospitals provide excellent care but are beyond the reach of common people. Public hospitals are affordable but are terribly overcrowded and lack responsiveness.

To bridge this gap, Patiala Plant constructed a community dispensary in Bahadurgarh village under our CSR initiative. The dispensary is built on the land allocated by government for this purpose.

This subsidiary health center is providing a healthcare facility to 14 villages with population of around 30,000 and will help the residents to meet their medical needs.



BEFORE



NOW

## Preventive Health Care

### Rural Development – Earth Saviours Foundation

In our endeavour to care for the elderly, the company constructed latest style semi-automized kitchen at 'The Earth Saviours Foundation', which is home to around 350 senior citizens and mentally challenged people. The Kitchen cooks nutritious food daily for the socially unprotected elderly people living below the poverty line.

The kitchen was inaugurated by the FMGIL Team on November 4, 2019.



## Supporting Government Initiatives

### Clean India Drive - Bhiwadi

A clean India would be the best tribute India could pay to Mahatma Gandhi. Swachh Bharat Abhiyan is a new nation-wide campaign in India that aims to clean up the streets, roads and infrastructure of India's cities, towns, urban and rural areas.

Like previous years, Team Khushii Bhiwadi & FMGIL Celebrated \*Gandhi Jayanti\* at Govt Primary School Harchandpur. Students of our Bhiwadi School made clean India poster and organized Awareness Rally on "Say No To Plastic". A sense of responsibility was evoked among the Community people to actively participate in cleanliness drive. A Rally was also carried out in Harchandpur village to give the message to stop usage of single-use plastic.

Trainees of our Vocational Training Centre and other community women participated in this event with full enthusiasm and took pledge to put in efforts towards environmental protection.



### कपड़े के थैले वितरित, पर्यावरण संरक्षण पर जोर

निवाड़ी. राजकीय हरचंदपुर प्राथमिक पाठशाला में नौ प्लास्टिक दिवस मनाया गया। इस मौके पर स्कूल में विभिन्न कार्यक्रम किए गए। बच्चों ने पोस्टर के माध्यम से सिंगल यूज प्लास्टिक के इस्तेमाल से पर्यावरण को होने वाले नुकसान के बारे में बताया। आसपास के गांव के लोगों को जागरूक करने के लिए स्कूल के विद्यार्थियों, प्रयागोध्यापिका काला यादव व सुखी संस्था के अध्यक्षों ने रैली निकालकर क्षेत्र के लोगों को प्लास्टिक की चीजों का प्रयोग न करने को प्रोत्साहित किया। इस अवसर पर उन्हें सुखी के सिलाई प्रशिक्षण केंद्र पर सिले गए कपड़े के बैग वितरित किए गए। सुखी संस्था की प्रोजेक्ट कॉर्डिनेटर कुसुम धायल सूर्या ने बतवता कि सुखी संस्था पर्यावरण के प्रति हमेशा सजग रहकर समाज को सही दिशा देने का कार्य कर रही है, क्योंकि पर्यावरण ही हमारे जीवन का मौलिक आधार है और हमें हमेशा पर्यावरण संरक्षण पर विशेष ध्यान देना चाहिए। उन्होंने कहा कि केंद्र सरकार की प्लास्टिक के सामान का प्रयोग न करने की मुहिम को सुखी संस्था आमजन तक पहुंचाने का कार्य कर रही है। लोगों को इसके प्रति जागरूक करने के लिए प्रसिद्ध है।



**Supporting Government Initiatives**

**Blood Donation Camp - Bhiwadi**

FMGIL Bhiwadi; organised the Blood Donation Camp in association with Lions Club Bhiwadi & Mission Jan Jagriti Blood Bank Delhi on December 13, 2019 in our company premises. All employees participated in Blood Donation camp with full enthusiasm and donated total 132 Units of blood which is an all-time record contribution towards this noble cause. The last year contribution from the plant was 117 units.



कंपनी में लगे शिफर में 130 यूनिट रक्तदान हुआ  
 मिखाड़ी लायंस क्लब भिवाड़ी मिटी ने दोग प्रज्वलित कर किया। शिफर  
 एवं जनजागृति ब्लड बैंक दिल्ली की में 130 यूनिट रक्तदान किया गया।  
 ओर से फेडरल मुशल इन्डिया कंपनी शिफर में डॉ. एनके भाटिया, नरेन्द्र  
 भिवाड़ी में रक्तदान शिफर लगाया बत्रा, विवेक, अजोत यादव, केसी  
 गया। शिफर का शुभारंभ फ्लॉट हेड शर्मा, सुनील अरोड़ा, आरके त्यागी,  
 संजय भारद्वाज एवं प्रशांत पलारिया शशिकांत पाठक आदि मौजूद थे।



**World Toilet Day**

Based on "Leaving No One Behind" theme of World Toilet Day 2019, Team Khushii & FMGIL celebrated "World Toilet Day" at GPS Harchandpur Bhiwadi. Tiny tots of Khushii prepared a "Skit on Importance of having Separate toilet in the house" they spread awareness through the play. Students took oath that they will keep toilets clean at School & Home.



**NOTICE**

Notice is hereby given that the 65<sup>th</sup> (Sixty-fifth) Annual General Meeting (AGM) of the Federal-Mogul Goetze (India) Limited will be held on Tuesday, 22<sup>nd</sup> September, 2020 at 11:00 AM through Video conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the Company situated at DLF Prime Towers, 10 Ground Floor, F-79 & 80, Okhla Phase - I, New Delhi - 110020 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made there at, to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 and Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Dr. Khalid Iqbal Khan (DIN: 05253556) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sunit Kapur (DIN: 03435110) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:****TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTIONS AS ORDINARY RESOLUTIONS:****4. Ratification of Remuneration to Cost Auditor for the financial year 2020-21**

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s Sanjay Gupta & Associates, Cost Accountants having Firm Registration No. 00212 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2020-21, amounting to Rs. 4,95,000/- (Rupees Four Lakh Ninety-Five Thousand Only) as audit fee plus applicable tax(es) plus out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified, confirmed and approved.”

**5. Appointment of Mr. Stephen Shaun Merry (DIN:08749114) as Director liable to retire by rotation**

“**RESOLVED THAT** pursuant to the provisions of section 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to appoint Mr. Stephen Shaun Merry (DIN:08749114) as Non-Executive Director, liable to retire by rotation, on the Board of the Company.”

**TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTIONS AS SPECIAL RESOLUTIONS:****6. Re-appointment of Mr. Krishnamurthy Naga Subramaniam (DIN: 00041843) as Independent Director for a Second Term**

“**RESOLVED THAT** pursuant to the provisions of section 149, 152 and 160, Schedule IV and other applicable provisions, if any, of Companies Act, 2013 read with rules made thereunder and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to re-appoint Mr. K.N. Subramaniam (DIN: 00041843), as recommended by the Nomination & Remuneration Committee and subject to the approval of the shareholders, as an Independent Director of the Company to hold the office for a period of five (5) years, with effect from 13th February, 2020.”

**7. Re-appointment of Mr. K.C. Sundareshan Pillai (DIN: 06846949) as Independent Director for a Second Term**

“**RESOLVED THAT** pursuant to the provisions of section 149, 152 and 160, Schedule IV and other applicable provisions, if any, of Companies Act, 2013 read with rules made thereunder and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to re-appoint Mr. K. C. Sundareshan Pillai (DIN: 06846949), as recommended by the Nomination & Remuneration Committee and subject to the approval of the shareholders, as an Independent Director of the Company to hold the office for a period of three (3) years, with effect from 16th December, 2019.”

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

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

Date : 26<sup>th</sup> June 2020  
Place : Gurugram

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



**Notes:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 alongwith Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) dated May 12, 2020 (hereinafter collectively referred to as “Circulars”) permitted the holding of the “AGM” through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company <http://federalmogulgoetzeindia.net/web/index.html> in the Financial Review Section. The complete Annual Report is also available in the same section. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. The recorded transcript of the forthcoming AGM scheduled to be held on 22nd September, 2020, shall also be made available on the website of the Company <http://federalmogulgoetzeindia.net/web/index.html> in the Investor Relations Section, as soon as possible after the Meeting is over.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act including the Memorandum and Articles of Association of the Company and all documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 22, 2020. Members seeking to inspect such documents can send an email to [investor.grievance@tenneco.com](mailto:investor.grievance@tenneco.com).
9. In order to receive copies of the Annual Report 2019-20 in electronic mode, Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants and members holding shares in physical mode are requested to update their e-mail addresses with the Company’s Registrar and Transfer Agent (RTA) i.e Alankit Assignments Limited by sending a request letter providing Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) at [rtat@alankit.com](mailto:rtat@alankit.com).
10. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.
11. Statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”), in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
12. A statement giving the relevant details of the directors seeking appointment/re-appointment, as required by Secretarial Standards-2 and Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith.

13. The Directors' Report, Auditors' Report, Audited Financial Statements for the financial year ended 31st March 2020 are annexed herewith.
14. Corporate Members are encouraged to attend the AGM through their Authorized Representatives. They are requested to send by email, a certified copy of the Board Resolution/Power of Attorney authorizing their representatives to attend and vote on their behalf in the Meeting.
15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, the Company is providing facility for voting by electronic means for all its Members to enable them to cast their vote electronically and the business may be transacted through such e-voting.

A member may exercise his/her vote at the General Meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of the aforesaid Rule.

For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency.

The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL.

The Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the AGM but shall not be entitled to cast their vote again.

Members may contact Dr. Khalid Iqbal Khan, Company Secretary, for any grievances connected with electronic means at investor.grievance@tenneco.com, Tel. No.: +91 124 4784530.

16. The remote e-voting period commences on 19th September, 2020, Saturday (9:00 AM) and ends on 21st September, 2020, Monday (5:00 PM).
  - Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 15th September, 2020, Tuesday may opt for remote e-voting and cast their vote electronically.
  - A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the Meeting.
  - Any person, who acquires shares of the Company and becomes member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 15th September, 2020 may obtain the login ID and password by sending an email to evoting@nsdl.co.in or investor.grievance@tenneco.com by mentioning their Folio No. / DP ID and Client ID No. However, if you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on www.evoting.nsdl.com.
  - Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
  - Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.

At the end of remote e-voting period, the facility shall forthwith be blocked.

17. The Board vide its Resolution passed on 26th June, 2020 has appointed Mr. Abhishek Bansal, Advocate, as the Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.

The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting on the date of the AGM, in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or any person authorized by him in writing and the Results shall be declared by the Chairman or any person authorized by him thereafter.

The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company <http://federalmogulgoetzeindia.net/web/index.html> and on the website of NSDL immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The results shall also be forwarded to the stock exchanges where the shares of Company are listed.

18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AREAS UNDER:-**

The remote e-voting period begins on 19th September, 2020 (Saturday) at 09:00 A.M. and ends on 21st September, 2020 (Monday) at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c. How to retrieve your ‘initial password’?
    - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a. Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:****How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [abhishek.bansal@corpacumen.com](mailto:abhishek.bansal@corpacumen.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose Email IDs are not registered with the depositories for procuring user ID and password and registration of E-Mail IDs for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [rt@alankit.com](mailto:rt@alankit.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [rt@alankit.com](mailto:rt@alankit.com).

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at [investor.grievance@tenneco.com](mailto:investor.grievance@tenneco.com) atleast 48 hours before the start of the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

**Sd/-**

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

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

Date : 26<sup>th</sup> June 2020  
Place : Gurugram

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

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified and approved by the Members of the Company. The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment and remuneration of M/s. Sanjay Gupta & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2019-20 at a remuneration of Rs. 4,95,000/- (Rupees Four Lakh Ninety-five Thousand Only) as audit fee plus applicable tax(es) plus out of pocket expenses. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2020-21 as set out in Item No. 4 for the aforesaid services to be rendered by them.

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

**Item No. 05**

In the meeting of Board of Directors held on 26th June 2020, Mr. Stephen Shaun Merry, was appointed as an Additional Non-Executive Director on the Board of the Company. Accordingly, Mr. Shaun holds office till the conclusion of this 65th Annual General Meeting. The Company has received the notice under Section 160 of the Companies Act 2013 from a member proposing the candidature of Mr. Shaun as Director liable to retire by rotation of the Company.

Mr. Stephen Shaun Merry, aged 51 years, is a graduate in Business Administration specializing in Executive Management from Cleary University, Michigan, is a member of the Association of Accounting Technicians (MAAT) and also a fellow of the Chartered Institute of Management Accountants (FCMA). Mr. Shaun has been with legacy Federal-Mogul Powertrain for a total of 22 years serving in various leadership roles during his tenure. He holds over 35 years of rich experience at various positions in the field of Finance, Purchase, Sales & Marketing.

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

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

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

The Board considers that his continued association would be of immense benefit to the Company.

Accordingly the Board recommends appointment of Mr. Shaun as Director liable to retire by rotation and propose to pass the resolution set out in Item no. 05 of the notice as an Ordinary Resolution.

**Item No. 06**

In terms of Section 149 and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended from time to time, it is proposed to re-appoint Mr. KN Subramaniam as an Independent Director for a period of five (5) years with effect from 13th February, 2020 to 12th February, 2025. The Company has received the notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature as director of the Company.

Mr. Subramaniam, aged about 66 years, has done graduation in B Tech ( Chemical Engineering ) , from University of Madras and Post-Graduation in Business Administration from Indian Institute of Management, Ahmedabad. He has been associated with the Automotive industry in India for well over three decades apart from other industries like Oil and Gas, EPC contracts in Water and Waste Water Treatment. He has extensive knowledge and rich experience of Indian Automotive Industry and is well known in the Industry. He had been with Anand Automotive for over 30 years and moved through many of the Group Companies starting from Purolator India Ltd. During the period 1998-2008 he had been President and Director for three (3) years as Managing Director and for seven (7) years as CEO of Gabriel India Ltd. He has been associated with renewable energy covering Solar PV manufacturing, EPC and Development of Solar Power Plants covering the entire value chain for over a decade. Mr. Subramaniam has been the Chairman of many Automotive Companies like Arvin Exhaust India Ltd., Haldex India Ltd., Federal-Mogul Bearings Ltd. and Victor Gaskets India Ltd.

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

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

The relevant documents relating to appointment of Mr. KN Subramaniam are available for inspection by members at the Registered Office of the Company. In pursuance of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended from time to time, the disclosures regarding his appointment are separately provided in this Notice of Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company. Accordingly, the Board recommends the re-appointment of Mr. KN Subramaniam and proposes to pass the resolution set out in Item No. 06 as an Special Resolution.

Except Mr. KN Subramaniam, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 06 of this Notice.

**Item No. 07**

In terms of Section 149 and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended from time to time, it is proposed to re-appoint Mr. K. C. Sundareshan Pillai as an Independent Director for a period of three (3) years with effect from 16th December 2019 to 15th December, 2022. The Company has received the notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature as director of the Company.

Mr. Pillai, aged about 64 years, has done graduation in Mechanical Engineering from National Institute of Technology, Raipur. Mr. Pillai has also attended various training programmes, including Technical trainings in Europe and U.S.A. Mr. Pillai has 33 years of rich experience in steering sales and marketing functions and technical areas with said companies.

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

Presently, Mr. Pillai is holding the position of Managing Director in Triangle Tyre Corporation Ltd. and is responsible for overall operations of the Company.

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

The relevant documents relating to appointment of Mr. K. C. Sundareshan Pillai are available for inspection by members at the Registered Office of the Company. In pursuance of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended from time to time, the disclosures regarding his appointment are separately provided in this Notice of Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company. Accordingly, the Board recommends the re-appointment of Mr. K. C. Sundareshan Pillai and proposes to pass the resolution set out in Item No. 07 as an Special Resolution.

Except Mr. K. C. Sundareshan Pillai, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 07 of this Notice.

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

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

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

Date : 26<sup>th</sup> June 2020  
Place : Gurugram

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

<b>Name of Director</b>	Dr. Khalid Iqbal Khan
<b>Original Date of Appointment</b>	22nd May 2015
<b>Age</b>	51 yrs. (Approx.)
<b>Expertise in specific functional areas</b>	<p>Dr. Khalid Iqbal Khan, is a Company Secretary from the Institute of Company Secretaries of India, Chartered Secretary from the Institute of Chartered Secretaries and Administrators, UK and a Law graduate from Delhi University. He has also done PhD in Corporate Governance. Dr. Khan has approximately 28 years of rich experience at senior level positions in the legal field. He has also completed Mahler Leadership Course.</p> <p>Dr. Khan has been associated with the Company since November, 2009 and presently holding the position of Whole-time Director- Legal &amp; Company Secretary. Prior to joining the Company, he was Company Secretary of Goodyear India Limited.</p>
<b>Qualifications</b>	Company Secretary from Institute of Company Secretaries of India, Chartered Secretary from UK, Bachelor of Law and PhD in Corporate Governance
<b>Directorships held in other companies (excluding foreign companies)</b>	<ol style="list-style-type: none"> <li>1. Federal-Mogul Ignition Products India Limited</li> <li>2. Federal-Mogul TPR (India) Limited</li> </ol>
<b>Committee position held in other companies</b>	<ol style="list-style-type: none"> <li>1. Federal-Mogul Ignition Products India Limited <ul style="list-style-type: none"> <li>• Audit Committee, Member</li> <li>• Nomination &amp; Remuneration Committee, Chairman</li> <li>• Corporate Social Responsibility Committee, Member</li> </ul> </li> <li>2. Federal-Mogul TPR (India) Limited <ul style="list-style-type: none"> <li>• Corporate Social Responsibility Committee, Member</li> </ul> </li> </ol>
<b>No. of Board meetings attended during the year</b>	04
<b>No. of shares held</b>	5 Equity Shares



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

<b>Name of Director</b>	Mr. Sunit Kapur
<b>Original Date of Appointment</b>	08th May, 2012
<b>Age</b>	45 yrs. (Approx.)
<b>Expertise in specific functional areas</b>	Mr. Sunit Kapur is a Mechanical Engineer from the Punjab University and has also done General Management Programme at CEDEP (INSEAD). Mr. Kapur has been associated with the Company since 1994. He has around 26 years of rich experience in Manufacturing, Engineering, Projects, Operation 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 26 years with the Company. His professional skills and abilities accumulated through intensive on-the-Job and off-the-Job trainings from eminent Global Management and Technical Experts. Mr. Sunit Kapur was Managing Director of the Company during the year 2012-13. Presently, he is Vice President and General Manager – Global Ignition in Tenneco Inc., USA.
<b>Qualifications</b>	Mechanical Engineer and General Management Programme at CEDEP (INSEAD).
<b>Directorships held in other companies (excluding foreign companies)</b>	Federal-Mogul Ignition Products India Limited
<b>Committee position held in other companies</b>	Nil
<b>No. of Board meetings attended during the year</b>	04
<b>No. of shares held</b>	Nil

<b>Name of Director</b>	Mr. Stephen Shaun Merry
<b>Original Date of Appointment</b>	26th June, 2020
<b>Age</b>	51 yrs.
<b>Expertise in specific functional areas</b>	Mr. Shaun is a graduate in Business Administration specializing in Executive Management from Cleary University, Michigan, is a member of the Association of Accounting Technicians (MAAT) and also a fellow of the Chartered Institute of Management Accountants (FCMA). Mr. Shaun has been with legacy Federal-Mogul Powertrain for a total of 22 years serving in various leadership roles during his tenure. He holds over 35 years of rich experience at various positions in the field of Finance, Purchase, Sales & Marketing.
<b>Qualifications</b>	Graduation in Business Administration in Executive Management, a member of the Association of Accounting Technicians (MAAT) and a fellow of the Chartered Institute of Management Accountants (FCMA).
<b>Directorships held in other companies (excluding foreign companies)</b>	Nil
<b>Committee position held in other companies</b>	Nil
<b>No. of Board meetings attended during the year</b>	Nil (Appointed w.e.f 26th June, 2020)
<b>No. of shares held</b>	Nil

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

<b>Name of Director</b>	Mr. K.N. Subramaniam
<b>Original Date of Appointment</b>	15th July 1953
<b>Age</b>	66 yrs.
<b>Expertise in specific functional areas</b>	Mr. K. N. Subramaniam has done graduation in B Tech (Chemical Engineering) from University of Madras and Post-Graduation in Business Administration from Indian Institute of Management, Ahmedabad. He has been associated with the Automotive industry in India for well over three decades apart from other industries like Oil and Gas, EPC contracts in Water and Waste Water Treatment. He has extensive knowledge and rich experience of Indian Automotive Industry and is well known in the Industry. He had been with Anand Automotive for over 30 years and moved through many of the Group Companies starting from Purolator India Ltd. During the period 1998-2008 he had been President and Director for three (3) years as Managing Director and for seven (7) years as CEO of Gabriel India Ltd. He has been associated with renewable energy covering Solar PV manufacturing, EPC and Development of Solar Power Plants covering the entire value chain for over a decade. Mr. Subramaniam has been the Chairman of many Automotive Companies like Arvin Exhaust India Ltd., Haldex India Ltd., Federal-Mogul Bearings Ltd. and Victor Gaskets India Ltd.
<b>Qualifications</b>	Graduation in B Tech (Chemical Engineering) from University of Madras and Post-graduation in Business Administration from Indian Institute of Management, Ahmedabad.
<b>Directorships held in other companies (excluding foreign companies)</b>	Federal-Mogul TPR (India) Limited
<b>Committee position held in other companies</b>	Federal-Mogul TPR (India) Limited: <ul style="list-style-type: none"><li>• Corporate Social Responsibility Committee, Member</li></ul>
<b>No. of Board meetings attended during the year</b>	04
<b>No. of shares held</b>	Nil

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

<b>Name of Director</b>	Mr. K. C. Sundareshan Pillai
<b>Original Date of Appointment</b>	16th December, 2016
<b>Age</b>	64 yrs.
<b>Expertise in specific functional areas</b>	Mr. Pillai, aged about 64 years, has done graduation in Mechanical Engineering from National Institute of Technology, Raipur. Mr. Pillai has also attended various training programmes, including Technical trainings in Europe and U.S.A. Mr. Pillai has 33 years of rich experience in steering sales and marketing functions and technical areas with said companies.
<b>Qualifications</b>	Graduation in Mechanical Engineering from National Institute of Technology, Raipur
<b>Directorships held in other companies (excluding foreign companies)</b>	Triangle Tyre Corporation Ltd.
<b>Committee position held in other companies</b>	Nil
<b>No. of Board meetings attended during the year</b>	03
<b>No. of shares held</b>	Nil

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

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

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

Date : 26<sup>th</sup> June 2020  
Place : Gurugram

### DIRECTORS' REPORT

Your Directors are pleased to present the 65<sup>th</sup> Annual Report and Audited Financial Statement of Accounts for the financial year ending 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

[Rs. in lacs]

Particulars	1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019
Gross Sales (including other operating income)	106,639.22	131,897.90
Other income	2,476.05	2,849.34
<b>Total Income</b>	<b>109,115.27</b>	<b>134,747.24</b>
<b>Operating profit before finance charges, depreciation and exceptional item</b>	<b>12,654.72</b>	<b>21,868.40</b>
Finance Charges	482.00	874.30
Depreciation	8,862.75	8,151.33
Exceptional items	-	-
<b>Net Profit before tax</b>	<b>3,309.97</b>	<b>12,842.77</b>
Provision for the Taxation:		
<b>Current Tax</b>	<b>1,242.33</b>	<b>4,231.16</b>
Less: Deferred Tax	(916.02)	360.76
<b>Profit after tax</b>	<b>2,983.66</b>	<b>8,250.85</b>
Other comprehensive income (net of taxes)	(912.04)	304.12
<b>Total Comprehensive income</b>	<b>2,071.62</b>	<b>8,554.97</b>
Profit brought forward from last year	39,970.26	31,415.29
<b>Surplus / (loss) carried forward to Balance sheet</b>	<b>42,041.88</b>	<b>39,970.26</b>

### OPERATIONS

During the financial year, the Gross sale of the Company was Rs. 106,639.22 lakhs as against Rs. 131,897.90 lakhs for the financial year ended 31<sup>st</sup> March 2019. The Total income of the Company was Rs. 109,115.27 lakhs as against Rs. 134,747.24 lakhs for the financial year ended 31<sup>st</sup> March 2019.

During the year under review, the Company made a net profit after tax of Rs. 2,071.62 lakhs as against the net profit after tax of Rs. 8,554.97 lakhs for the financial year ended 31<sup>st</sup> March 2019.

No amount is proposed to be transferred to general reserves. An amount of Rs. 2,071.62 lakhs is proposed to be retained in the Statement of Profit and Loss.

In view of requirement of funds for the operations of the Company, no dividend is recommended for the financial year ended 31<sup>st</sup> March, 2020.

### NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

The details of the number of Board and

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and

prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2020 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March 2020;

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

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

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

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

## DECLARATION OF INDEPENDENT DIRECTORS

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

## NOMINATION & REMUNERATION POLICY

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

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

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

## MATERIAL CHANGES

During the period under review, the Company witnessed the following:

- Letter of Offer dated December 30, 2019 was issued by the 'Manager to the Open Offer of Tenneco Inc.' (i.e M/s CKP Financial Services Private Limited), to the eligible shareholders of the Company, on behalf of the Tenneco Inc. (i.e the 'Acquirer') and Persons Acting in Concerts ('PACs'). The recommendation on the Open Offer was given by the Committee of Independent Directors of the Company. The Tender Offer was opened from January 6, 2020 to January 17, 2020 and 657 shareholders had tendered their shares in the Open Offer comprising 12,145,391 Equity shares. Post closure of the Tendering period/Open offer, IEH FMGI Holdings LLC held 12,145,391 Equity shares of the Company, i.e 21.83% of the voting share capital of the Company. The relevant disclosures, as required by law had been made from time to time to the

stock exchanges where the securities of the Company are listed.

- Due to outbreak of COVID-19, the Company had shut down its plants situated at Bangalore, Patiala and Bhiwadi including its offices in the concerned States with effect from 23rd March, 2020 in compliance with the respective State Government directions/notifications. Subsequently, the plants began to operate partially in the month of May 2020 by adhering to the directions, guidelines and permissions issued by the appropriate Government Authorities with respect to COVID-19.

No other 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.

## LOANS AND INVESTMENTS

During the Financial Year ended 31<sup>st</sup> March, 2020; no Loan, Investment and Guarantee u/s 186 of the Companies Act, 2013 was made by the Company.

## CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2019-20, the Company has entered into related party transactions in terms of the Companies Act, 2013 read with rules made thereunder and regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which were in the ordinary course of business and on arms' length basis.

During the financial year 2019-20, there were no transactions with related parties which qualified as material transactions in accordance with the Company's Policy under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly, the disclosure of Related Party Transactions in Form AOC-2 is not applicable. Pursuant to Regulation 33 (3)(g) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure of Related Party Transactions will be uploaded on the website of your Company ([www.federalmogulgoetzeindia.net](http://www.federalmogulgoetzeindia.net)) on half yearly basis.

The transaction with promoter/ promoter group entities holding 10 percent or more shareholding are disclosed as notes to the financial statement (Note No. 38), other than which there are no other transactions.

## SECRETARIAL STANDARDS

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

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

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

## RISK MANAGEMENT POLICY

The Company operates in an environment which is affected by various risks, some of which are controllable while some are outside the control of the Company. Therefore, pursuant to the requirements of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee. The Company has also developed and implemented the Risk Management Policy covering the process of identifying, assessing, mitigating, reporting and review of critical risks impacting the achievement of Company's objectives or threaten its existence.

The Risk Management Committee of the Company consisting of Mr. Vinod Kumar Hans as Chairman, Dr. Khalid Iqbal Khan and Mr. Manish Chadha as members, periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company and subsidiary are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved. More details on Risk Management indicating development and implementation of Risk Management Policy including identification of elements of risk and their mitigation are covered in Management Discussion and Analysis section, which forms part of this Report.

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

### DIVIDEND DISTRIBUTION POLICY

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

### CORPORATE SOCIAL RESPONSIBILITY

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

- 1) Mr. Vinod Kumar Hans, Chairman
- 2) Dr. Khalid Iqbal Khan, Member
- 3) Mr. KN Subramaniam, Member
- 4) Mr. K C Sundareshan Pillai, Member
- 5) Ms. Nalini Jolly, Member

The Corporate Social Responsibility Committee is required to institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by Company. Pursuant to the provisions of Companies Act, 2013, the Company is required to spend atleast 2% of the average profits of the company during the previous 3 financial years on CSR activities. Therefore, the Company has incurred the total allocated budget of Rs. 248.98 lakhs on the CSR activities approved by CSR Committee and the Board of Directors.

The activities and initiatives undertaken by the Company during the financial year 2019-20 on CSR activities have been detailed in the Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy on Corporate Social Responsibility and Annual Report on CSR activities are attached herewith as **Annexure- 5 & 6** to this Report.

In accordance with the provisions of section 135 of the Companies Act 2013, the Board has approved an amount of Rs. 198.17 lakhs for spending on CSR activities during the financial year 2020-21.

### 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. Sunit Kapur, Non-Executive Director; Mr. Stephen Shaun Merry, Non-Executive Director, Mr. K C Sundareshan Pillai, Non-executive Independent Director and Ms. Nalini Jolly, Non-Executive Woman Independent Director.

In accordance with Article 109 of the Articles of Association of the Company, Mr. Sunit Kapur and Dr. Khalid Iqbal Khan are retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Mahendra Kumar Goyal resigned as Non-executive Independent Director from the Board with effect from close of business hours on 31st October, 2019, due to other pre-occupation and there were no other material reasons for his resignation.

The term of office as Non-executive Independent Director of Mr. Mukul Gupta expired with effect from close of business hours on 12th February, 2020. Accordingly, Mr. Gupta ceased to be Non-executive Independent Director on the Board of the Company from the said date.

Ms. Janice Ruskey Maiden resigned as Non-executive Director from the Board with effect from 26th June, 2020. Mr. Stephen Shaun Merry was appointed as Non-Executive Director on the Board with effect from 26th June, 2020, subject to approval of the shareholders.

The Board places on record its sincere appreciation for the valuable contributions made by Mr. Mahendra Kumar Goyal, Mr. Mukul Gupta and

Ms. Janice Ruskey Maiden in all areas of Board's functioning during their respective tenures as Directors of the Company.

Mr. K.C. Sundareshan Pillai was re-appointed as Independent Director for a second term with effect from 16th December, 2019 subject to approval of the shareholders at the ensuing AGM of the Company on 22nd September, 2020.

Mr. Krishnamurthy Naga Subramaniam was re-appointed as Independent Director for a second term with effect from 13th February, 2020, subject to approval of the shareholders at the ensuing AGM of the Company on 22nd September, 2020.

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

### SUBSIDIARY AND ASSOCIATE COMPANY

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

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

**PUBLIC DEPOSITS**

As at 31<sup>st</sup> March, 2020 your Company had no unclaimed fixed deposits. No fresh/ renewed deposits were invited or accepted during the financial year.

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

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

**FORMAL ANNUAL EVALUATION BY BOARD**

In terms of provisions of the Companies Act, 2013 read with Rules made thereunder and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, had evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31<sup>st</sup> March 2020. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Meetings, knowledge and skills, understanding of their roles and responsibilities, business of the Company along with the ethics and integrity. The evaluation of the Board and committees was inter alia based on the aspects like Structure of the Board or Committee, processes being followed to achieve the objectives, effectiveness, fulfillment of roles and responsibilities, efficiency and direction etc.

**DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS**

The Company has an Audit Committee headed by a Non-executive Independent Director, inter-alia, to oversee the Company's financial reporting process, disclosure of financial information, performance of statutory and internal auditors, functions, internal control systems, related party transactions, investigation relating to suspected fraud or failure of internal audit control, to name a few, as well as other areas requiring mandatory review as per Regulation 18(3) of the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS:****(a) Industry structures and developments**

Automotive Industry, globally, as well as in India, is one of the key sectors of the economy. Demographically and economically, India's automotive industry is well-positioned for growth, servicing both domestic demand and, increasingly export opportunities. 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 2019-20, the industry produced a total 26,362,282 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycle as against 30,914,874 in April-March 2019, registering a de-growth of -14.7 percent over the same period last year.

The domestic sale of Passenger Vehicles declined by 17.9 percent in April-March

2020 over the same period last year. The overall Commercial Vehicles segment declined by 28.8 percent in April-March 2020 as compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) declined by 42.5 percent and Light Commercial Vehicles declined by 20.1 percent in April-March 2020 over the same period last year.

Three Wheelers domestic sales declined by 9.2 percent in April- March 2020 over the same period last year. Within the Three Wheelers, Passenger Carrier & Goods Carrier sales declined by 8.3 percent and 13.3 percent respectively in April-March 2020 over April-March 2019.

Two Wheelers sales registered de-growth at 17.8 percent in April-March 2020 over April-March 2019. Within the Two Wheelers segment, Scooters declined by (-) 16.9 and Motorcycles declined by 17.5 percent, while Mopeds declined by 27.6 percent in April-March 2020 over April-March 2019.

In April-March 2020, overall automobile exports increased by 2.95 percent. Two Wheelers Segments registered a growth of 7.3 percent and Three wheelers declined by 11.5 percent, while Passenger Vehicles were flat at 0.2 percent and Commercial Vehicles declined by 39.2 percent in April-March 2020 over the same period last year.

The year under review witnessed an overall slowdown in the economy, liquidity crunch, the crisis in the non-banking finance companies (NBFC) sector, almost drying up credit for dealers and customers. Nearly half the vehicles sold in rural markets, a segment that has been witnessing a higher growth rate in comparison to urban markets, are financed by NBFCs. The increase in third party insurance, road tax and safety regulations, the consequent hike in the cost of vehicle acquisition, uncertainty arising out of inventory liquidation prior to the BS-VI transition and expectations of a possible GST reduction were the primary reasons for the prolonged slowdown this year.

Currently there is uncertainty on the pace of recovery, but Management is making sure that the organization remains fully energized during the period and ready to bounce back on the next opportunity.

### (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.

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

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

There are limited sets of customers in our business, that is, the automobile manufacturers. Competition is intense, as we compete with suppliers both in the organized and unorganized segments. Technical edge, specialization, innovation and networking will determine the success of the Company in this competitive environment. Further, the policies of the Government play a key role in the development of the automobile sector. Your Company has been employing the practices to proactively map the impact of its activities on its performance and profitability from economic environment and social perspectives.

### C) Segment wise or product wise performance

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

Rs. In lacs

Details of finished goods sold	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Pistons,	91,883.61	115,311.90
Piston rings and pistons pins		
Valve train and	11,614.69	12,561.06
Structural components		

### (d) Outlook

The impact of COVID-19 situation has devastated the auto industry with pinching effects on the Indian auto industry.

Rural wages and rising unemployment contributed to low demand for goods and services. Uncertainty in employment impacted consumer, investor and corporate confidence. There has been a significant downturn in the demand for new vehicles forcing automakers to substantially cut production. Auto component industry is fully dependent on the automotive industry. The future is fairly unpredictable. Market sentiments are unpleasant.

The recovery in vehicle demand will also be drawn out, due to the pandemic's deep and enduring impact on the economy, which is expected to take few years to return to pre-COVID-19 levels. The recovery in vehicle production is set to be gradual and not necessarily linear. Given the uncertainty of the current situation, the forecast risks largely skew to the downside, the Management expects double digit volume decline in Indian automobile industry during the year 2020-21.

During the current difficult situation, your Company has been minutely reviewing every element of cost and has been continuously working on cash conservation and elimination/deferment of cost, wherever possible.

The Company will endeavor to revitalize in near future as consumers regain confidence and vehicle demand improves. 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:

**Pandemic:** Significant deterioration in demand due to COVID-19 has emerged as a major business risk.

**Economic slowdown:** Slowdown in the Indian and global economy due to the outbreak of COVID-19 is likely to adversely impact the auto industry in the medium and short-term.

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

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

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

**Increasing competition:** Increasing competition in the auto equipment sector, may put some pressure on the market share.

### (f) Adequacy of Internal Control Systems

The Company has an Audit Committee headed by a non-executive independent director, inter-alia, to oversee the Company's financial reporting process, disclosure of financial information, performance of statutory and internal auditors, functions, internal control systems, related party transactions, investigation relating to suspected fraud or failure of internal audit control, to name a few, as well as other areas requiring mandatory review as per provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the stock exchanges. The powers of the Audit Committee, inter-alia, include seeking information from any employee, directing the Company's internal Audit function, obtaining outside legal or other professional advice and investigating any activity of the Company within the Committee's terms of reference.

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

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

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



#### (h) Significant changes in Financial Ratios

The key financial ratios are given as below:

Ratio	FY 2019-20	FY 2018-19	Explanation to significant change wherever applicable
Debtors Turnover	5.17	6.04	-
Inventory Turnover	5.45	6.79	-
Interest Coverage Ratio	5.34	16.22	Low Volume/mix during the year, due to Auto sector slowdown
Current Ratio	1.90	1.61	-
Debt Equity Ratio	-	0.09	Due to zero debts during the year
Operating Profit Margin (%)	2.36	10.53	Due to lower business volume and mix impacted the profits during the year
Net Profit Margin (%)	1.90	6.35	Due to lower business volume/mix in current year after the impacted the profits during the year.
Fixed assets turnover ratio	2.01	2.50	-
Working capital turnover ratio	5.46	8.71	Due to lower business volume

The details of return on net worth at standalone and consolidated levels are given below:

Particulars	Standalone 2020	Standalone 2019	Consolidated 2020	Consolidated 2019
Return on net worth (%)	2.81	19.27	3.97	18.97

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

With the acquisition of Federal-Mogul by Tenneco, the focus of Learning and Development (L&D) was primarily on identifying and building synergies in the L&D processes and programs. Skill building in technical and functional areas continued to remain a priority and internal trainers capability building was done through 'Train The Trainer' programs to drive this agenda. The union settlements in Bangalore and Patiala concluded successfully.

The total number of salaried and hourly employees (permanent) as at March 31, 2020 stood at 3363.

#### CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of the Company for the financial year 2019-20, are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015. The Consolidated Financial Statements have been prepared on the basis of Audited Financial Statements of the Company and its subsidiary company, as approved by their respective Board of Directors.

#### AUDITORS AND AUDITORS' REPORT

At the 62<sup>nd</sup> AGM of the Company, M/s. Walker Chandio & Co., LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013), New Delhi were appointed as the Statutory Auditors' as per section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, to hold office till the conclusion of the 67<sup>th</sup> AGM of the Company to be held in the calendar year 2022.

The written consent to such appointment and a certificate from M/s Walker, Chandio & Co., LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013), have been received to the effect that the appointment is in accordance with the conditions prescribed under Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and they satisfy the criteria specified under Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules, 2014.

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

#### COST AUDITORS

The Board, on the recommendation of the Audit Committee has approved the appointment of M/s. Sanjay Gupta & Associates, Cost Accountants, as Cost Auditor, for the financial year ending March 31, 2021. The Cost Auditors will submit their report for the financial year ending 31<sup>st</sup> March 2021 on or before the due date.

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

#### SECRETARIAL AUDITORS

The Company had appointed M/s. Deepika Gera, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2020. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed as Annexure-8 to this report. The Board has reappointed M/s. Deepika Gera, Company Secretaries, New Delhi, as Secretarial Auditor of the Company for FY 2020-21.

A Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2020 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s Surinder Vashishtha & Associates and was accordingly submitted to both the stock exchanges i.e BSE Limited and National Stock Exchange Limited. The said report is annexed as Annexure-9 to this report.

#### CORPORATE GOVERNANCE REPORT

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

A detailed corporate governance report in line with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the corporate governance practices followed by the Company and a certificate of compliance from Mr. Surinder Vashishtha, Proprietor of Surinder Vashishtha & Associates, Company Secretary, forms part of this Report as **Annexure-10**.

### 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-11** 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 - 12**.

### COMMITTEES OF DIRECTORS

The Company has following committees of Directors:

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

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

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

Pursuant to Section 134(3)(ca), no incident of fraud has been reported by the

Auditors of the Company under section 143(12) of the Companies Act, 2013.

### VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

The Company has in place an anti-sexual harassment Policy and an Internal Complaints Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under the policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20.

No. of complaints received: Nil

No. of complaints disposed off: Nil

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

### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

The information required under Section 197 of the Companies Act, 2013 read

with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in Annexure – 13 & 14 to this Report.

### HUMAN RESOURCES

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

However, the workers at the Bangalore plant of the Company went on tool down strike though the plant was still running through non-unionized workers and the said strike continued until 3rd October, 2019. The relevant disclosures, as required by law had been made from time to time to the stock exchanges where the securities of the Company are listed.

Further, on 16th December, 2019, the Company signed the labour settlement with the trade union at the Bangalore plant of the Company for a period of four (4) years effective 1st January, 2019.

The total number of permanent salaried and hourly paid employees, as at March 31, 2020 stood at 3363.

### 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 of  
**Federal-Mogul Goetze (India) Limited**

Date: 26<sup>th</sup> June 2020  
Place: Gurugram

**Vinod Kumar Hans**  
Whole-time Managing Director  
DIN : 03328309

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

**CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2020**
**1. PHILOSOPHY**

Federal-Mogul Goetze (India) Limited (the 'Company') recognizes that sound principles of corporate governance are essential in obtaining and retaining the trust and respect of investors and other persons and groups interested in the Company and its activities, including employees, customers, suppliers, communities in which it does business. The Company 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. The Company has a strong legacy of fair, transparent and ethical governance practices and is committed to good Corporate Governance in all its activities and processes.

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

**2. BOARD OF DIRECTORS**

- a) **Composition:** The Board of Directors of the Company has an optimum combination of Executive, Non-executive and Independent Directors having rich knowledge and experience in the industry and related sectors for providing strategic guidance and direction to the Company.

As on 31<sup>st</sup> March, 2020, the composition and category of the Board of Directors of the Company was as follow:

Sl. No.	Name of the Director	Category
1.	Mr. Krishnamurthy Naga Subramaniam	Chairman & Independent Director
2.	Mr. Vinod Kumar Hans	Whole-Time Managing Director
3.	Dr. Khalid Iqbal Khan	Whole-time Director-Legal & Company Secretary
4.	Mr. Manish Chadha	Whole-time Director-Finance & CFO
5.	Mr. Rajesh Sinha	Whole-time Director
6.	Mr. K.C. Sundareshan Pillai	Independent Director
7.	Mr. Sunit Kapur	Non-Executive Director
8.	Ms. Janice Ruskey Maiden	Non-Executive Director
9.	Ms. Nalini Jolly	Women Independent Director

**Note:**

- Ms. Nalini Jolly was appointed with effect from 13th August, 2019 as Additional (Non-executive Independent) Director by the Company with the approval of the shareholders in the Annual General Meeting ('AGM') held on 19th September, 2019;
- Mr. K.C. Sundareshan Pillai was re-appointed as Independent Director for a second term with effect from 16th December, 2019 subject to approval of the shareholders at the ensuing AGM of the Company on 22nd September, 2020;
- Mr. Krishnamurthy Naga Subramaniam was re-appointed as Independent Director for a second term with effect from 13th February, 2020, subject to approval of the shareholders at the ensuing AGM of the Company on 22nd September, 2020;
- Ms. Janice Ruskey Maiden resigned as Non-executive Director with effect from 26th June, 2020; and
- Mr. Stephen Shaun Merry was appointed as Additional (Non-executive) Director on the Board with effect from 26th June, 2020, subject to approval of the shareholders at the ensuing AGM of the Company on 22nd September, 2020.

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 FY 2019-20:

- Mr. Mahendra Kumar Goyal, Non-executive Independent Director resigned from the Board effective 31st October, 2019 due to other pre-occupation and there were no other material reasons for his resignation.
- The term of office as Non-executive Independent Director of Mr. Mukul Gupta expired with effect from close of business hours on 12th February, 2020. Accordingly, Mr. Gupta ceased to be Non-executive Independent Director on the Board of the Company from the said date.
- There was no pecuniary relationship or business transaction by the Company with any Non-Executive Director, other than the sitting fee for attending the Board/ Committee meetings.
- The Directors have no inter-se relationship with any other director of the Company.

**b) Details of Board Meetings held during the year 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020:**

During the FY 2019-20, four (4) Board meetings were held as follows :

<b>Date of Meeting</b>	<b>Board Strength</b>	<b>No. of Directors Present in Person</b>
28th May, 2019	10	07
13th August, 2019	11	09*
08th November, 2019	11	08
06th February, 2020	10	10**

Note:

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

\*\*Includes presence of Ms. Janice Ruskey Maiden who attended the meeting through audio visual means

**Information placed before the Board:**

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

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

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

Mr. Sunit Kapur, Non-Executive Director and Dr. Khalid Iqbal Khan, Whole Time Director-Legal & Company Secretary are liable to retire by rotation in the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. Items regarding their re-appointments have been included in the notice of the ensuing Annual General Meeting.

- (i) Mr. Sunit Kapur is a Mechanical Engineer from the Punjab University and has also done General Management Programme at CEDEP (INSEAD). Mr. Kapur has been associated with the Company since 1994. He has around 26 years of rich experience in Manufacturing, Engineering, Projects, Operation 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 26 years with the Company. His professional skills and abilities accumulated through intensive on-the-Job and off-the-Job trainings from eminent Global Management and Technical Experts. Mr. Sunit Kapur was Managing Director of the Company during the year 2012-13. Presently, he is Vice President and General Manager – Global Ignition in Tenneco Inc., USA.
- (ii) Dr. Khalid Iqbal Khan, aged about 51 years, is a Company Secretary from the Institute of Company Secretaries of India, Chartered Secretary from the Institute of Chartered Secretaries and Administrators, UK and a Law graduate. He has also done Ph.D in Corporate Governance. Dr. Khan has about 27 years of rich experience at senior level positions in the legal field. He has also completed Mahler Leadership Course. Dr. Khan has been associated with the Company since November 2009 and presently holding the position of Whole-time Director- Legal & Company Secretary. Prior to joining the Company, he was Company Secretary of Goodyear India Limited.

- (iii) Mr. Shaun is a graduate in Business Administration specializing in Executive Management from Cleary University, Michigan, is a member of the Association of Accounting Technicians (MAAT) and also a fellow of the Chartered Institute of Management Accountants (FCMA). Mr. Shaun has been with legacy Federal-Mogul Powertrain for a total of 22 years serving in various leadership roles during his tenure. He holds over 35 years of rich experience at various positions in the field of Finance, Purchase, Sales & Marketing.
- (iv) Mr. K. N. Subramaniam has done graduation in B Tech (Chemical Engineering) from University of Madras and Post-Graduation in Business Administration from Indian Institute of Management, Ahmedabad. He has been associated with the Automotive industry in India for well over three decades apart from other industries like Oil and Gas, EPC contracts in Water and Waste Water Treatment. He has extensive knowledge and rich experience of Indian Automotive Industry and is well known in the Industry. He had been with Anand Automotive for over 30 years and moved through many of the Group Companies starting from Puralator India Ltd. During the period 1998-2008 he had been President and Director for three (3) years as Managing Director and for seven (7) years as CEO of Gabriel India Ltd. He has been associated with renewable energy covering Solar PV manufacturing, EPC and Development of Solar Power Plants covering the entire value chain for over a decade. Mr. Subramaniam has been the Chairman of many Automotive Companies like Arvin Exhaust India Ltd., Haldex India Ltd., Federal-Mogul Bearings Ltd. and Victor Gaskets India Ltd.
- (v) Mr. K. C. Sundareshan Pillai, aged about 64 years, has done graduation in Mechanical Engineering from National Institute of Technology, Raipur. Mr. Pillai has also attended various training programmes, including Technical trainings in Europe and U.S. Mr. Pillai has about 33 years of rich experience in steering sales and marketing functions and technical areas with reputed Companies. Presently, Mr. Pillai is holding the position of Managing Director in Triangle Tyre Corporation Ltd. and is responsible for overall operations of the Company.

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

Name of the Director	Category	For the year from 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020 Attendance at		As on 31 <sup>st</sup> March, 2020		
				Number of Directorships of other Indian Companies (Refer Note-1)	Committee Memberships of other Indian Companies (Refer Note-2)	
		Board Meeting (Total Meetings Held-04)	Last AGM 19 <sup>th</sup> Sept. 2019			Member
Mr. Krishnamurthy Naga Subramaniam	CNEID	04	Yes	01	01	01
Mr. Vinod Kumar Hans	WTMD	04	Yes	01	04	02
Dr. Khalid Iqbal Khan	WTDL & CS	04	Yes	01	02	00
Mr. Manish Chadha	CFO & FD	04	Yes	01	03	00
Mr. Rajesh Sinha	WTD	02	No	01	00	00
Mr. Sunil Kapur	NED	02	No	01	02	00
Mr. K. C. Sundareshan Pillai	NEID	03	Yes	01	02	00
Ms. Janice Ruskey Maiden	NED	01	No	01	00	00
Ms. Nalini Jolly (w.e.f 13th Aug., 2019)	NEWID	03	Yes	01	00	00
Mr. Mukul Gupta (Upto 12th Feb., 2020)	NEID	04	Yes	NA	NA	NA
Mr. Mahendra Kumar Goyal (Upto 31st Oct., 2019)	NEID	02	No	NA	NA	NA

Data presented above is after taking into account the disclosures furnished by the continuing Directors in the first Board Meeting of the Financial Year 2020-21.

CNEID: Chairman and Non-Executive Independent Director

NEID: Non-Executive Independent Director

WTMD: Whole-time Managing Director

CFO & FD: Chief Financial Officer & Finance Director

NED: Non-Executive Director

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

WTFD: Whole-time Finance Director

NEID: Non-Executive Woman Independent Director

Note-1: The above excludes Foreign Companies and the Directorships are reported for listed companies only including Federal-Mogul Goetze (India) Limited in terms of Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The count for the number of listed entities on which a person is a Director/Independent Director is of only those whose equity shares are listed on a Stock Exchange.

Note-2: The Committee Membership/Chairmanship includes Audit and Stakeholders' Relationship Committee in all listed and unlisted public companies, (including Federal-Mogul Goetze (India) Limited), in terms of Regulation 26(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**e) Names of the Listed entities where the person is a Director and the category of Directorship as on 31st March, 2020 :**

Name of Director	No. of Directorships in Indian Listed Companies [other than Federal-Mogul Goetze (India) Ltd.]	Name of listed entities	Category of directorship
Mr. Krishnamurthy Naga Subramaniam	Nil	NA	NA
Mr. Vinod Kumar Hans	Nil	NA	NA
Dr. Khalid Iqbal Khan	Nil	NA	NA
Mr. Manish Chadha	Nil	NA	NA
Mr. Rajesh Sinha	Nil	NA	NA
Mr. Sunit Kapur	Nil	NA	NA
Mr. K.C. Sundareshan Pillai	Nil	NA	NA
Ms. Janice Ruskey Maiden*	Nil	NA	NA
Ms. Nalini Jolly (From 13th Aug., 2019)	Nil	NA	NA
Mr. Mukul Gupta**	NA	NA	NA
Mr. Mahendra Kumar Goyal***	NA	NA	NA

Note:

\* Resigned from the directorship w.e.f 26th June, 2020

\*\*Ceased to be Director w.e.f 12th February, 2020, upon completion of his term as Independent Director

\*\*\*Resigned from the directorship w.e.f 31st October, 2019.

**f) Declaration by Board of Directors:**

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

**g) Core Skills / Expertise / Competencies available with the Board:**

The Board comprises of highly qualified and experienced personalities who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees. The Nomination and Remuneration Committee ('NRC') considers, inter alia, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director. The Board of Directors have, based on the recommendations of the NRC, identified the following core key skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board Members of the Company and mapped against each of the Director.

The core skills / expertise / competencies required in the Board in the context of the Company's Businesses and sectors functioning effectively as identified by the Board of Directors of the Company are tabulated below:

Sr. No.	Name of the Director	Core skills/ expertise/ competencies
1.	Mr. Krishnamurthy Naga Subramaniam	Extensive and diversified knowledge and rich experience of Indian Automotive Industry.
2.	Mr. Vinod Kumar Hans	Around 33 years of rich experience in the field of Sales, Engineering and Program Management for OE customers, Aftermarket, Corporate Projects, Product Development and Business Process restructuring.
3.	Dr. Khalid Iqbal Khan	Around 28 years of rich experience at senior level positions in the legal field and corporate affairs.
4.	Mr. Manish Chadha	Over 20 years of rich experience in Controlling, Plant Finance Operations, Statutory Reporting and Compliances, Business Analysis, Strategic Planning, Accounts/ MIS, Financial Planning & Budgeting, Cost control, Internal Control and System Implementation in the Automobile industries.
5.	Mr. Rajesh Sinha	Over 24 years of rich experience at senior level positions in Production, IR Management, Quality Assurance, VA & VE, Technical Services, Project Execution in the Automobile industries.
6.	Mr. Sunit Kapur	Around 26 years of rich experience in Manufacturing, Engineering, Projects, TPM, Operation, Supply Chain Management and General Management.
7.	Mr. K.C. Sundareshan Pillai	Around 33 years of rich experience in steering sales and marketing functions and technical areas with various companies.
8.	Ms. Janice Ruskey Maiden	Around 38 years of rich experience in Technology exploration, Product, Business Development and Human Resources Management.
9.	Ms. Nalini Jolly	Around 21 years of rich experience in Strategy & Resource Planning, Sales & Business Development, Supply Chain Management, Training & Monitoring, Service Branding & Marketing, Technical Support Operations, Treasury, Corporate Governance, Board, Legal matters and business role.

### 3. AUDIT COMMITTEE

#### a) Terms of Reference

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

#### b) Composition, name of members and Chairperson

Presently, the Audit Committee comprises of three (03) Non-Executive Independent Directors and one (01) Non-Executive Director viz. Mr. KCS Pillai, (Non-Executive Independent Director) as the Chairman and Mr. Krishnamurthy Naga Subramaniam (Non-Executive Independent Director), Mr. Sunit Kapur (Non- Executive Director) and Ms. Nalini Jolly (Non-Executive Independent Director) as members.

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 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020

Date of Meeting	Strength of Committee	No. of Members Present in person
28th May 2019	04	03
13th August, 2019	04	03
08th November, 2019	04	03
06th February, 2020	05	05

### Audit Committee Members Attendance during the financial year 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020

Name	Designation in the Committee	Total Meetings held	No. of meetings Attended in person
Mr. Mukul Gupta	Chairman - Upto 12th Feb., '20	04	04
Mr. K.C. Sundareshan Pillai	Chairman - W.e.f 14th Feb., '20	04	03
Mr. Krishnamurthy Naga Subramaniam	Member	04	04
Mr. Sunit Kapur	Member	04	02
Ms. Nalini Jolly	Member – W.e.f 08th Nov., '19	02	02

## 4. RISK MANAGEMENT COMMITTEE

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

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

The composition of the Risk Management Committee is as under:

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

During the year, the Risk Management Committee met once on 04th December, 2020. The meeting was attended by all the members of the Committee.

## 5. NOMINATION AND REMUNERATION COMMITTEE

At present, the Nomination and Remuneration Committee comprises of Mr. K.C. Sundareshan Pillai (Non-executive Independent Director) as the Chairman, Mr. Krishnamurthy Naga Subramaniam (Non-executive Independent Director), Mr. Sunit Kapur (Non-executive Director) and Ms. Nalini Jolly (Non-Executive Woman Independent Director) as members.

The Nomination and Remuneration Committee has been constituted for identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, carry out evaluation of every director's performance, laying down the criteria for performance evaluation of Independent Directors, determining qualifications, positive attributes and independence of a director and reviewing the remuneration of the Directors, Key Managerial Personnel and other senior management personnel. The Nomination and Remuneration policy is in consonance with the existing industry practice.

### a) Terms of reference

The current terms of reference of the Nomination and Remuneration Committee fully conform to the requirements of regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 178 of the Companies Act, 2013. These broadly include:



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

#### b) Meetings and Attendance

Details of Nomination and Remuneration Committee Meetings held during the financial year 1st April, 2019 to 31st March, 2020

Date of Meeting	Strength of Committee	No. of Members Present in person	No. of Members Present through conference call
28 <sup>th</sup> May 2019	04	03	00
13 <sup>th</sup> August, 2019	04	03	00
08 <sup>th</sup> November, 2019	04	03	00
06 <sup>th</sup> February, 2020	05	05	00

Name	Designation in the Committee	Total Meetings held	No. of meetings Attended in person
Mr. K.C. Sundareshan Pillai	Chairman	04	03
Mr. Krishnamurthy Naga Subramaniam	Member	04	04
Mr. Sunit Kapur	Member	04	02
Ms. Nalini Jolly	Member - W.e.f 08th Nov., '19	02	02
Mr. Mukul Gupta	Member - Upto 12th Feb., '20	04	04

#### Performance 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 26th June, 2020.

**6. DETAILS OF REMUNERATION TO DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Name of Executive Directors	Particulars	Amount (in Rs.)
Mr. Vinod Kumar Hans	- Salaries and Allowances	11,881,704
	- Company's Contribution to PF & Superannuation	974,756
	- Perquisites	-
	- Management Incentive Plan	4,175,036
<b>Total</b>		<b>17,031,496</b>
Mr. Rajesh Kumar Sinha	- Salaries and Allowances	8,426,970
	- Company's Contribution to PF & Superannuation	653,400
	- Perquisites	-
	- Management Incentive Plan	884,632
<b>Total</b>		<b>9,965,002</b>
Mr. Manish Chadha	- Salaries and Allowances	7,410,732
	- Company's Contribution to PF & Superannuation	573,830
	- Perquisites	-
	- Management Incentive Plan	1,106,105
<b>Total</b>		<b>9,090,668</b>
Dr. Khalid Iqbal Khan	- Salaries and Allowances	7,058,762
	- Company's Contribution to PF & Superannuation	335,970
	- Perquisites	-
	- Management Incentive Plan	1,432,016
<b>Total</b>		<b>8,826,748</b>

Name of Non-Executive Directors	Particulars	Amount (in Rs.)
Mr. Mahendra Kumar Goyal (Upto 31st Oct., 2019)	Sitting Fee	40,000
Mr. Krishnamurthy Naga Subramaniam	Sitting Fee	960,000
Ms. Nalini Jolly (W.e.f 13th Aug., 2019)	Sitting Fee	380,000
Mr. K.C. Sundareshan Pillai	Sitting Fee	260,000
Mr. Mukul Gupta (Upto 12th Feb. 2020)	Sitting Fee	1,220,000

**Notes:**

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

**7. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

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

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Krishnamurthy Naga Subramaniam	Chairman	Non-Executive Independent Director
Mr. Vinod Kumar Hans	Member	Whole-time Managing Director
Mr. Sunit Kapur	Member	Non- Executive Director
Dr. Khalid Iqbal Khan	Member	Whole Time Director- Legal & Company Secretary*
Mr. K.C. Sundareshan Pillai	Member	Non- Executive Independent Director
Ms. Nalini Jolly	Member (W.e.f 08th Nov., '19)	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
01	00	00

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

#### SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors of the Company was held on 11<sup>th</sup> March, 2020, 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 members were present at the meeting.

#### 8. ANNUAL GENERAL MEETINGS

Year	Location	Date & Time	Whether any special resolution passed
62 <sup>nd</sup> Annual General Meeting	Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038	25 <sup>th</sup> September 2017 - 11:00 AM	Appointment of Mr. K. C. Sundareshan Pillai (DIN: 06846949) as an Independent Director
63 <sup>rd</sup> Annual General Meeting	Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038	20 <sup>th</sup> September 2018 - 11:00 AM	Re-appointment of Dr. Khalid Iqbal Khan (DIN: 05253556) as Whole-Time Director- Legal & Company Secretary of the Company
64 <sup>th</sup> Annual General Meeting	Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038	19 <sup>th</sup> September 2019 - 11:00 AM	Re-Appointment of Mr. Vinod Kumar Hans (DIN : 03328309) as Whole-Time Managing Director of the Company - Re-appointment of Mr. Rajesh Sinha (DIN: 07358567) as the Whole-Time Director of the Company - Re-Appointment of Mr. Mahendra Kumar Goyal (DIN: 02605616) as an Independent Director of the Company - Re-appointment of Mr. Manish Chadha (DIN: 07195652) as CFO & Finance Director of the Company effective from February 5, 2019

**Postal Ballot:** No resolution has been passed as special resolution through postal ballot during the financial year ended 31<sup>st</sup> March, 2020. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

#### 9. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

## 10. MEANS OF COMMUNICATION

<b>Results</b>	<p>Quarterly/Half-Yearly/Yearly Financial Results of the Company were considered and approved by the Directors and the same were communicated to Stock Exchanges. During the year under review, these results were generally published in one English Daily i.e. Financial Express (all edition) and one Hindi Daily i.e. Jansatta, Delhi. The news releases, if any, were communicated to the stock exchange in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>The results are available on the Company's website at <a href="http://www.federalmogulgoetzeindia.net">www.federalmogulgoetzeindia.net</a>. All the official news releases are made available at the website.</p>
<b>Whether presentations were made to Institutional Investors or to the analysts?</b>	No

## 11. GENERAL SHAREHOLDER INFORMATION

<p>a. 65<sup>th</sup> Annual General Meeting</p> <ul style="list-style-type: none"> <li>- Date and Time</li> <li>- Mode/Venue</li> </ul>	<p>22<sup>nd</sup> September, 2020 at 11.00 A.M. Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) Company's Registered Office i.e DLF Prime Towers, 10 Ground Floor, F-79 &amp; 80, Okhla Phase - I, New Delhi – 110020 will be deemed to be the Venue for the purpose of this Annual General Meeting.</p>
<p>b. Financial Year</p>	<p>Commencing from 01st April and ending on 31st March.</p>
<p>c. Financial Calendar (Tentative)</p> <ul style="list-style-type: none"> <li>- Results for the quarter ending June 30, 2020</li> <li>- Results for the quarter/half year ending September 30, 2020</li> <li>- Results for the quarter/period ending December 31, 2020</li> <li>- Results for the quarter/year ending March 31, 2021</li> <li>- Annual General Meeting for the financial year ending March 31, 2020</li> </ul>	<p>Second week of September 2020 Second week of December 2020 Second week of February 2021 Last week of May 2021 22nd September, 2020</p>
<p>d. Book Closure date</p>	<p>16th September, 2020 to 22nd September, 2020 (both days inclusive)</p>
<p>e. Listing on Stock Exchanges</p>	<ul style="list-style-type: none"> <li>- BSE Limited Phiroze Jee Jee Bhoy Towers, Dalal Street, Mumbai-400001</li> <li>- 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)</li> </ul>
<p>f. Stock Code</p>	<p>BSE Limited – 505744 National Stock Exchange - FMGOETZE</p>
<p>ISIN No.- NSDL - CDSL</p>	<p>INE 529A01010 INE 529A01010</p>

**Note:** Listing Fees for the year 2019-2020 and 2020-21 has been paid to both, BSE Limited and National Stock Exchange of India Limited. Annual custodian charges of Depository have also been paid to both NSDL and CDSL.

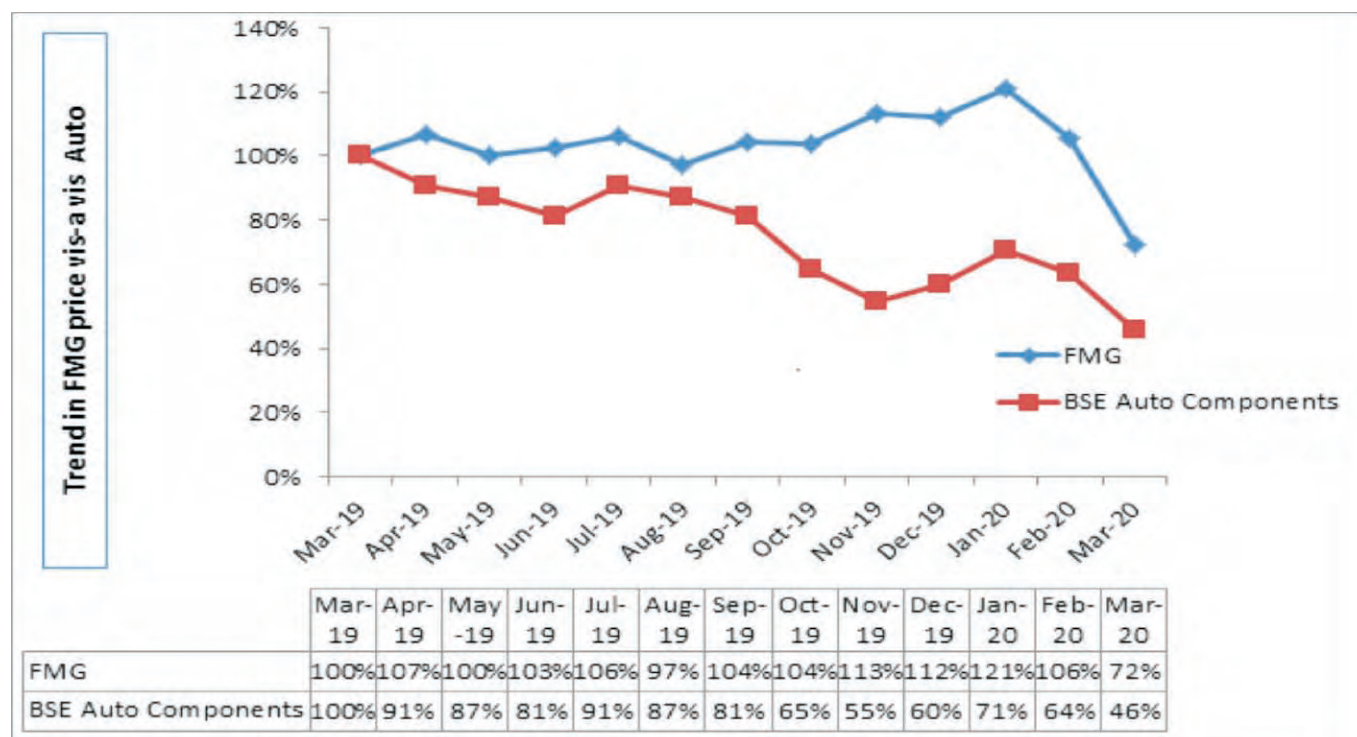
**g. Stock Market Data\***

(Amt. in Rupees)

Month	Bombay Stock Exchange, Mumbai				National Stock Exchange, Mumbai			
	Federal-Mogul Goetze (India) Limited's Share Price		Sensex		Federal-Mogul Goetze (India) Limited's Share Price		CNX Nifty	
	(Rs.)		(Rs.)		(Rs.)		(Rs.)	
	High	Low	High	Low	High	Low	High	Low
Apr-19	600.00	528.05	39,487.45	38,460.25	599.00	529.20	11856.15	11549.10
May-19	575.00	483.00	40,124.96	36,956.10	576.70	482.10	11968.55	11108.30
Jun-19	562.50	520.00	40,312.07	38,870.96	560.00	520.00	12103.05	11625.10
Jul-19	612.00	508.25	40,032.41	37,128.26	613.65	510.00	11981.75	11072.65
Aug-19	539.90	485.00	37,807.55	36,102.35	540.00	485.30	11181.45	10637.15
Sep-19	582.85	516.85	39,441.12	35,987.80	585.05	517.45	11694.85	10670.25
Oct-19	579.90	517.05	40,392.22	37,415.83	568.80	525.05	11945.00	11090.15
Nov-19	651.40	540.00	41,163.79	40,014.23	650.00	540.45	12158.40	11802.65
Dec-19	664.55	516.30	41,809.96	40,135.37	666.45	518.00	12293.90	11832.30
Jan-20	664.90	608.10	42,273.87	40,476.55	663.95	604.55	12374.25	12005.35
Feb-20	600.00	515.00	41,709.30	38,219.97	611.90	513.50	12246.70	11175.05
Mar-20	523.00	239.30	39,083.17	25,638.90	539.95	238.30	11433.00	7511.10

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

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



\*The above chart is showing the trend in FMGIL average monthly price vis-a-vis Auto Components Companies average monthly price considering March 2019 as base month

### i. Share Transfer System

Alankit Assignments Limited, RTA Division, 'Alankit Heights' 3E/7, Jhandewalan Extension, New Delhi 110055 is acting as the Registrar and Transfer Agent for the Equity Shares of the Company, w.e.f. 1st May 2005 to provide services in both Physical and Electronic Mode.

- The authority relating to share transfers, transmission, subdivision, consolidation, renewal, exchanges, issuance of duplicates has been delegated to the Share Transfer Committee. Presently, the Share Transfer Committee comprises Dr. Khalid Iqbal Khan, Chairman, Mr. KN Subramaniam, Ms. Nalini Jolly and Mr. KCS Pillai 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 56 times during the financial year 2019-20 for approving transfers, transmission etc.
- Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate for the half year ended 30th September, 2019 and 31st March, 2020, has been issued by the Company Secretary in practice for due compliance of share transfer formalities by the Company has been submitted with the Stock Exchanges. Further, a compliance certificate duly signed by the compliance officer of the Company and the authorized representative of the share transfer agent for the half year ended 30th September, 2019 and 31st March, 2020, pursuant to regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has also been submitted to the Stock exchanges certifying that all the activities in relation to both physical and electronic share transfer facility are maintained by share transfer agent registered with the Board.

### J. Distribution Schedule as on 31/03/2020

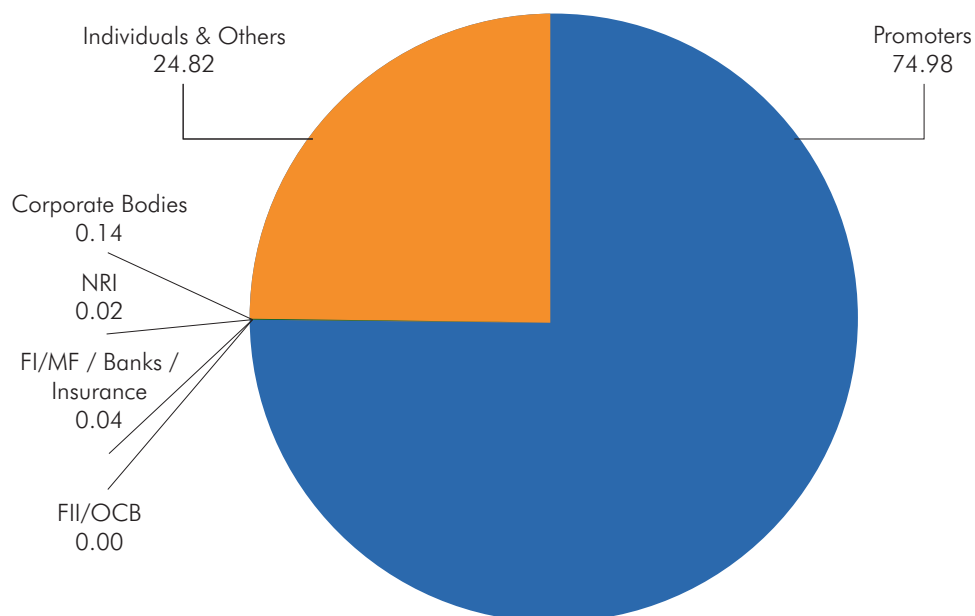
#### A] On the basis of shares held

No. of shares	No. of share holders	Percentage to total Shareholders	No. of shares held	Percentage to total shares held
Upto 5000	14333	99.9094	1667232	2.9969
5001 – 10000	5	0.0349	38414	0.0691
10001 – 20000	5	0.0349	65639	0.118
20001 – 30000	0	0	0	0
30001 – 40000	0	0	0	0
40001 – 50000	0	0	0	0
50001 -100000	0	0	0	0
Above 100000	3	0.0209	53860845	96.8161
<b>TOTAL</b>	<b>14346</b>	<b>100.00</b>	<b>55632130</b>	<b>100.00</b>

#### 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	14497	95.93	1602871	3.00
Corporate Bodies	158	1.045	73734	0.00
Financial Institutions /Mutual Funds/ Banks/Insurance Companies	10	0.10	6669	0.00
Non-resident Indians	175	1.16	26061	0.00
Foreign Institutional Investors/ Overseas Corporate Bodies	4	0.04	12146441	22.00
Promoters (Non-resident Company)	2	0.02	41715454	75.00
Others	266	1.76	60900	0.00
<b>TOTAL</b>	<b>15112</b>	<b>100.00</b>	<b>55632130</b>	<b>100.00</b>

**Distribution of Shares of Federal- Mogul Goetze (India) Limited  
(As on 31/03/2020)**



**k. Dematerialization of shares and Liquidity**

As on 31st March 2020, 99.28% of the Equity Capital of the Company have been dematerialized. The shares of the company are traded on BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai and have good liquidity.

- |   |   |  |   |   |  |
|---|---|--|---|---|--|
| <p><b>l. Outstanding GDR's / ADR's / Warrants Or any convertible instruments, conversion date and likely impact on equity</b></p>   | <p><b>None</b></p>  |  |   |   |  |
| <p><b>m. Disclosure on Commodity price risks or Foreign Exchange risk and hedging activities</b></p>  | <p><b>Not Applicable</b></p>  |  |   |   |  |
| <p><b>n. Plant Locations:</b></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 25%;">1. Bahadurgarh<br/>Patiala<br/>(PUNJAB)</td> <td style="width: 25%;">2. Yelahanka<br/>Bangalore<br/>(KARNATAKA)</td> <td style="width: 25%;">3. SPL 1240-44<br/>RIICO Industrial Area<br/>Phase I Extn., Bhiwadi<br/>(RAJASTHAN)</td> <td style="width: 25%;">4. Plot No. 46, Sector-11,<br/>IIE-Pantnagar,<br/>Udham Singh Nagar,<br/>(UTTARAKHAND)</td> </tr> </table> | 1. Bahadurgarh<br>Patiala<br>(PUNJAB)   | 2. Yelahanka<br>Bangalore<br>(KARNATAKA)   | 3. SPL 1240-44<br>RIICO Industrial Area<br>Phase I Extn., Bhiwadi<br>(RAJASTHAN)    | 4. Plot No. 46, Sector-11,<br>IIE-Pantnagar,<br>Udham Singh Nagar,<br>(UTTARAKHAND) |  |
| 1. Bahadurgarh<br>Patiala<br>(PUNJAB)   | 2. Yelahanka<br>Bangalore<br>(KARNATAKA)  | 3. SPL 1240-44<br>RIICO Industrial Area<br>Phase I Extn., Bhiwadi<br>(RAJASTHAN) | 4. Plot No. 46, Sector-11,<br>IIE-Pantnagar,<br>Udham Singh Nagar,<br>(UTTARAKHAND) |   |  |
| <p><b>o. Corporate office:</b></p> <p>10<sup>th</sup> Floor, Tower B, Paras Twin Towers,<br/>Sector-54, Golf Course Road,<br/>Gurugram, Haryana – 122002, India.<br/>Fax No. : +91 124 4292840<br/>Tel No: +91 124 478 4530</p>   | <p><b>Registered office:</b></p> <p>DLF Prime Towers, 10 Ground Floor,<br/>F-79 &amp; 80, Okhla Phase - I, New Delhi - 110020<br/>Tel No: +91 11 4905 7597<br/>e-mail: investor.grievance@tenneco.com<br/>Website: <a href="http://www.federalmogulgoetzeindia.net">www.federalmogulgoetzeindia.net</a></p> |  |   |   |  |

**p. Registrar and Share Transfer Agent**

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

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

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

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

**s. Grievance Redressal :** Ms. Shruti Bhardwaj

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

**12. LIST OF CREDIT RATING (alongwith any revisions thereto during the financial year 2019-2020, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the company involving mobilization of funds, whether in India or outside)**

Facilities	Rating
Long term Bank Facilities	CARE A+; Negative (Single A Plus; Negative)
Short term Bank Facilities	CARE A1+ (A One Plus)

**13. 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

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 31<sup>st</sup> March 2020.
- Details of number of Shares & Convertible Instruments held by Non-Executive Directors

As on date, no Non-Executive Directors holds any share in the company.
- 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.

None.
- Details of establishment of Vigil mechanism/ Whistle blower policy, and affirmation that no personnel have been denied access to the Audit Committee.

The Company has established the Vigil mechanism/ Whistle Blower policy. The policy is also available on the website ([www.federalmogulgoetzeindia.net](http://www.federalmogulgoetzeindia.net)) of the Company. Further, no person was denied access to the Audit Committee.



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

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

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

<http://federalmogulgoetzeindia.net/web/index.html>
  
- Policy on Related Party Transaction

<http://federalmogulgoetzeindia.net/web/index.html>
  
- Policy for determining 'material' subsidiaries

<http://federalmogulgoetzeindia.net/web/index.html>
  
- Disclosure on Commodity price risks or Foreign Exchange risk and hedging activities

Not Applicable
  
- Prevention of insider trading

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

The policy is also available on the website ([www.federalmogulgoetzeindia.net](http://www.federalmogulgoetzeindia.net)) of the Company.

#### 14. DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS

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

Sl. No.	Type of Service	FY 2019-20	
		Standalone Rupees in Lacs	Consolidated Rupees in Lacs
1.	Statutory Audit Fee	25	31.25
2.	Limited Reviews	27	27
3.	Tax Audit Fee	2.5	3.5
	<b>Total:</b>	<b>54.5</b>	<b>61.75</b>

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

This Corporate Governance Report of the Company for the financial year ended on 31st March, 2020 is in compliance with the requirements of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

#### **16. Code of Conduct**

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

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

**Vinod Kumar Hans**

Whole-time Managing Director  
DIN: 03328309

**Khalid Iqbal Khan**

Whole-time Director-Legal & Company Secretary  
DIN : 05253556

Date: 26<sup>th</sup> June, 2020

Place: Gurugram

## Annexure-A

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

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

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

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1	KRISHNAMURTHY NAGA SUBRAMANIAM	00041843	30.04.2009
2	VINOD KUMAR HANS	03328309	01.01.2016
3	SUNIT KAPUR	03435110	11.06.2012
4	KHALID IQBAL KHAN	05252556	22.05.2015
5	SUNDARESHAN KANAKKU CHEMBAKARAMAN PILLAI	06846949	16.12.2016
6	JANICE RUSKEY MAIDEN	06847230	13.08.2014
7	MANISH CHADHA	07195652	05.02.2016
8	RAJESH SINHA	07358567	01.01.2016
9	NALINI JOLLY	08520132	13.08.2019

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

Place: Kurukshetra  
Date: 10<sup>th</sup> June, 2020

**For SURINDER VASHISHTHA & ASSOICATES**  
**COMPANY SECRETARIES**  
**SURINDER VASHISHTHA**  
C.P. No. : 12313  
UDIN No.- A021285B000330761

**DECLARATION OF WHOLE-TIME MANAGING DIRECTOR**

This is to certify that the Company has laid down a Code of Conduct for all Board Members and Senior Management of the Company and a copy of same is posted on the website of the Company viz. [www.federalmogulgoetzeindia.net](http://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, 2020.

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

**Vinod Kumar Hans**  
Whole-time Managing Director  
DIN: 03328309

Place: Gurugram  
Date: 26<sup>th</sup> June, 2020

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

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

**Details Regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo  
Federal-Mogul Goetze (India) Limited**

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

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

- Energy Audits are conducted across the facility
- Replacement of higher capacity motors and devices drawing higher energy with latest higher energy efficient motors.
- The facility is upgraded to the latest technology of LED lighting system.
- Energy Efficient Compressors are in use.
- Reduction of load on compressors by placing Compressed Air Energy Efficient Nozzles at the manufacturing operations.
- Upgradation of Electrical panels and improvement of Power Factor for Plating Baths.
- Usage of Natural Lighting by Installation of Sky lamps at Roofing.
- Overall improvement of Power factor by adding capacitor banks ( Target of 0.99)
- The machines sent for refurbishment are checked for its energy consuming patterns and accordingly the devices are replaced with latest technology, hence, the consumption of electricity reduces during the lifetime of the machine in manufacturing process.
- Conservation of energy by upgrading the technology in Treatment Plants.
- Conservation of energy by installing thyristor drivers in Heat treatment furnaces.
- Adequate planning of production to be in line with the specific power consumption required for generation of product.
- Upgradation of Energy Efficient induction/Holding furnaces for melting activities.
- Energy saving logics are introduced in machines, which switches off the hydraulics or the machines during the idle times.
- Installation of Variable Frequency Drives onto higher capacity motors to reduce energy.
- Re-laying out of the machines to isolate the Usage of dedusting units consuming high energy and isolation of such devices.
- Adequate maintenance to avoid leaks of compressed air.
- Temperature cutoff to all the Plating Baths to avoid overheating and consumption of electricity.

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

- The uses of Wheeling Energy (Wind/Solar Energy) to reduce GHG gases.
- Use of PNG gas from traditional LPG.
- Maximum usage of natural roof Lighting in the shopfloor.

**c) Capital investment on energy conservation equipment: INR 40,00,000 Lakhs/Annum****d) Impact of the above measures**

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

**B. TECHNOLOGY ABSORPTION****i) Efforts made towards technology absorption:**

- Energy Audits by CII federation to understand the new revolution in Energy reduction programs.
- Chip Processing Unit.
- Introduction of Inertec furnace (uses PNG) in place of Diesel fired furnace.
- Introduction of Energy Efficient IGBT driven Induction furnace.
- Introduction of Harmonic study to reduce the power factor at plating baths.

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

- Cost savings and effective utilization of aluminum chips by introduction of Chip processing unit in-house.
- Cost Savings by replacing energy efficient motors.
- Cost savings by relaying out the machines, hence isolating the additional auxiliary devices.

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
Chip Processing unit, Insertec Furnace	2016	Implemented

iv) The expenditure incurred on Research and Development (R&D):- Rs. 57.32 Lakhs (approx.)

#### C. FOREIGN EXCHANGE EARNINGS & OUTGO

1. Foreign exchange earned: Rs. 9,976.75 lacs

2. Foreign exchange utilized: Rs. 4,784.02 lacs

**1. DEFINITIONS**

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

**2. INTRODUCTION**

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

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

**3. OBJECTIVE OF THE POLICY**

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

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

**4. DETERMINING FACTORS**

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

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

**5. TERMS OF DECLARING DIVIDEND**

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

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



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

## **6. PROCEDURE FOR DIVIDEND PAYMENT**

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

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

### **Internal Factors :**

- 1) Profits of the Company
- 2) Future Investment plans
- 3) Technical Upgradation
- 4) Capital Expenditure
- 5) Working Capital requirements

### **External Factors :**

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

#### **8. UTILISATION OF RETAINED EARNINGS**

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

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

#### **9. MISCELLANEOUS**

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

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

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

## ANNEXURE-5 THE COMPANY CSR POLICY

Effective: April 1, 2014

### 1. SHORT TITLE & APPLICABILITY:

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

### 2. THE COMPANY'S APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY

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

#### 2.1 AIMS AND OBJECTIVES

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

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

### 3. ACTIVITIES UNDER CORPORATE SOCIAL RESPONSIBILITY

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

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

CSR activities will include the following activities relating to:—

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

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

#### 4. PROHIBITED ACTIVITIES UNDER CSR

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

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

#### 5. IMPLEMENTATION MECHANISM

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

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

#### 6. PLANNING AND COORDINATION

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

#### 7. MONITORING AND EVALUATION

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

#### 8. ALLOCATION OF FUNDS

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

#### 9. REPORTING

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

#### 10. GENERAL

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

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES 2019-20

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

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

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

Our social investment programmes focus on:

**Promotion of Education** – Promoting quality education amongst less privileged children, especially girl child, to bring about a social change.

**Preventive Health care** – To directly and indirectly improve the health of fellow citizens, especially the socially and economically marginalized groups by working actively in the areas of preventive health and sanitation and making available safe drinking water.

**Rural Development Project**– To contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large by supporting local schools & hospitals i.e. community development.

**Employment Enhancing Vocational Skills** – The biggest challenge that the Industry is facing today is the availability of trained and skilled Manpower. Industries see this as a major bottleneck in their expansion plans. They also face challenges to maintain the desired output and quality due to lack of availability of skilled manpower. We plan to launch series of programmes to provide technical and vocational training with an ultimate aim of creating world class skilled work force and making the potential employees ‘Job Ready’ before they embark upon their professional career.

**Women Empowerment** – To equip women, with skills and resources to build a better future for themselves.

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

**2. Composition of the CSR Committee:**

Presently, the CSR committee comprises the following members :-

- 1) Mr. Vinod Kumar Hans (Chairman)
- 2) Mr. K.N. Subramaniam
- 3) Dr. Khalid Iqbal Khan
- 4) Mr. K.C. Sundareshan Pillai
- 5) Ms. Nalini Jolly

**3. Average net profit of the Company for the last three financial years: INR 125.43 Crores**

**4. Prescribed CSR Expenditure (two percent, of the amount as in item 3 above): INR 250.86 Lakhs**

**5. Details of CSR spent during the financial year:**

- a) Total amount to be spent for the financial year : As there was no unspent amount during the previous financial year, the total amount to be spent for the financial year was **Rs. 250.86 lakhs.**
- b) Amount Unspent, if any : **Nil**

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

(Rs. in lacs)

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local Area (2) Specify the State and district where projects were undertaken	Amount Outlay (budget) or programs wise	Amount spent on project (1) Direct expenditure on project (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	Education to Under-privileged children	Promotion of Education	Gurgaon		23.70		Agency - GharvAngna
2	Providing school uniform for Deaf and Blind School	Promotion of Education	Patiala		8.67		Agency - Society for Welfare of the Handicapped
3	Sponsoring Education of 100 Children	Promotion of Education	Delhi		6.01		Agency – Ishwar
4.	Sponsoring stay and education at Remand Home for 100 Girl Child.	Promotion of Education	Delhi		10.00		Agency – Prayas

5	Computer Training centre for Youth at IIT	Promotion of Education	Delhi		5.81		Agency – Vidya
6	Remedial Coaching for class 10 and 12 children – NIOS preparation	Promotion of Education	Gurgaon		21.84		Agency – Vidya
7	Adult Literacy Programme and Remedial coaching for students at IIT	Promotion of Education	Delhi		9.17		Agency – Vidya
8	Sponsoring education and all expense for one unit (having 9 children and 1 mother)	Promotion of Education	Patiala		11.81	<b>155.78</b>	Agency- SOS Children's Village
9	Sponsoring education and all expense for one unit (having 9 children and 1 mother)	Promotion of Education	Bangalore		11.81		Agency- SOS Children's Village
10	Sponsoring education of 130 Children	Promotion of Education	Patiala, Bangalore +Faridabad		29.48		Agency- SOS Children's Village
11	Infrastructure Improvement in Girls Govt. School	Promotion of Education	Faridabad		7.94		Agency – Khushii
12	Construction of Toilets at Govt. School	Promotion of Education	Ballabgarh		5.00		Agency – Khushii
13	Providing of Fans ITI, Patiala	Promotion of Education	Patiala		0.15		Agency – Khushii
14	Remedial Coaching at Baroti School	Promotion of Education	Parwanoo		4.40		Agency - SNS Foundation
15	Training Mechanic programme	Employment Enhancing Voc-ational Skills	Gurgaon		1.80	<b>1.80</b>	Agency - SNS Foundation
16	Renovating Kitchen at Earth Saviours Foundation - Old Age home	Preventive Health Care	Gurgaon		17.94	<b>43.41</b>	Agency - The Earth Saviours Foundation
17	Setting up of OPD Dispensary at Rajpura Village	Preventive Health Care	Patiala		25.47		Agency -Khushii
18	Silai Centre for women	Women Empowerment	Bhiwadi		6.13	<b>37.62</b>	Agency - Vidya
19	Setting up of Production Unit for Silai Centre SHG + Running Silai Centre	Women Empowerment	Gurgaon		13.74		Agency -Khushii
20	Driving training for Women	Women Empowerment	Gurgaon		17.75		Agency - Neeva Foundation
21	Expense related to employee involved in CSR	Administrative Expense	Gurgaon		8.00	<b>11.23</b>	Administrative Expense
22	Payment to Audit Firm	Administrative Expense	Gurgaon		3.23		Administrative Expense
23	Donation to Bharat Vikas Parishad for COVID 19		Bhiwadi		2.20	<b>2.20</b>	Bharat Vikas Parishad
	<b>TOTAL</b>				<b>252.04</b>	<b>252.04</b>	

**6. Details of implementing Agencies are as under :-**

- a. Ghar Angna (Ek Pyara Sapna ) Welfare Society**, a NGO in the field of education for under-privileged children from Nursery to Class -2. It has been in existence since the year 2009.
- b. Society for the Welfare of the Handicapped** – This NGO is a pioneer in North India in the field of education for Children with special needs. Society was established on 16 Apr 1967. In 2014, they were adjudged as best NGO of Punjab State. The President of India presented the Award in Rashtripati Bhawan in person to Col. Karaminder Singh.
- c. SNS Foundation** - THE SNS Foundation is the CSR wing of Anand group established in the 70's and operates around various manufacturing bases of Anand spread across the country. The Vision of the Foundation is a development process that creates a socially just and equitable, economically progressive, and environmentally sustainable society.
- d. SOS Children's Village** - SOS Children's Villages of India is an independent, non-governmental, social development organisation that provides family-based care for parentless or abandoned children in India. The organization is over 50 years old in India and it advocates the concerns, rights and needs of children in need of care and protection. In India, they are present in 22 states, have 32 SOS Children's Villages and over 25, 000 beneficiaries.
- e. The Earth Saviours Foundation** - Founded in 2008, is an Internationally recognized NGO, situated in Gurgaon, Haryana, India. The Foundation is dedicated to serve less privileged people and is making every possible effort to protect the environment. They are Recipient of Sardar Vallabhbhai Patel International Prestigious Award for Excellence in Humanitarian Services.
- f. Khushii** - is a charitable organization that has been in the public domain for almost 12 years now. Headed by the legendary Col. Captain Kapil Dev. Khushii is a philanthropic initiative of the eminent social personalities of the country working on alternatives leading to socio economic development of the under privileged segment of the society.
- g. Vidya-Integrated Development for Youth and Adults**, VIDYA is a non-profit NGO. They are 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. Their nationally-recognized programmes include schools, remedial education, computer training, adult literacy, skills training, microfinance and social entrepreneurship. It was Founded in 1985. They are currently active in the major Indian cities of Delhi, Gurgaon, Mumbai and Bangalore.
- h. Neeva Foundation**, an NGO inter alia running women's empowerment - Women-on-wheel program for women from disadvantaged backgrounds. They provide training programme with guaranteed employment offers on successful completion. Employment partners like Taxshe, have moved many candidates from Below Poverty Line to becoming Net Tax Payers. The Project has also won world Bank Award in April, 2019
- i. ISHWAR, an acronym for Inclusion and Social Harmony With Attitude Reconstruction**, is working comprehensively in the NFE (Non-Formal Education) Area since 2005. It is also well known and well-accepted by the areas resident BPL families who participate in all the NGO's programmes concerning them or their wards.
- j. Prayas Juvenile Aid Centre Society**, is a national level humanitarian, gender sensitive and child focused development organization. Formed in 1988, through the collaborative efforts of the Delhi Police, The Delhi School of Social Work and Shramik Vidyapeeth. It aims at reorganizing and rebuilding the lost childhood of children in need of care, protection and development.
- k. Bharat Vikas Parishad** – Established in 1963, BVP is a service-cum sanskar oriented, non-political, socio-cultural voluntary organisation. It is dedicated to development and growth of our country in all fields of human endeavour - cultural, social, academic, moral, national and spiritual – by promoting a sense of patriotism, national unity and integrity.

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 : 26<sup>th</sup> June 2020

**ANNEXURE – 7 TO THE DIRECTORS’ REPORT**

**Form AOC-1**

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

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

**Part “A”: Subsidiaries**

**(Rs. in lacs)**

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Federal-Mogul TPR (India) Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	1st April 2019 to 31st March 2020
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	1,2477.52
6.	Total assets	1,6220.00
7.	Total Liabilities	1,6220.00
8.	Investments	Nil
9.	Turnover (Net of Excise/GST)	9,499.83
10.	Profit before taxation	1,670.54
11.	Provision for taxation	401.01
12.	Profit after taxation	1,269.53
13.	Proposed Dividend	580.00
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 31<sup>st</sup> March 2020.

**ANNEXURE – 8 TO THE DIRECTORS’ REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2020

[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 Company’s 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 the financial year ended on 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020 according to the provisions of as amended from time to time:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;



- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Applicable only to the extent of Foreign Direct Investment/Overseas Direct Investment);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - 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;
  - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014– Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines/regulations during the year under review;
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -Not applicable as the Company has not issued any debt securities during the year under review;
  - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / proposed to delist its equity shares during the year under review; and
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the year under review.;

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

- Secretarial Standards issued with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) by The Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

During the period under review, Letter of offer dated December 30, 2019 was issued by the "Manager to the open offer of Tenneco Inc." (i.e M/s CKP Financial Services Private Ltd.), to the eligible shareholders of the Company, on behalf of Tenneco Inc. (i.e the 'Acquirer') and Persons Acting in Concerts ('PACs'). The recommendation on the open offer was given by the Committee of Independent Directors. The Tender offer was open from January 6, 2020 to January 17, 2020 and 657 shareholders had tendered their shares in the open offer comprising 12,145,391 Equity shares. As per the DEMAT statement dated January 28, 2020, IEH FMG Holdings LLC (PAC 3) holds 12,145,391 Equity shares of the Company i.e 21.83% of the voting share Capital of the Company. In this regard, the Company being the Target Company had complied with the applicable laws and listing compliances.

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

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

**We further report that:**

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

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

Decisions at the Board Meetings were taken unanimously.

**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 :

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

**For DEEPIKA GERA, Company Secretaries**

DEEPIKA GERA

FCS No. 3531

C P No : 7487

UDIN NO.: F003531B000318098

Place : New Delhi  
Date: 04-06-2020

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

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

**ANNEXURE-9 TO DIRECTORS' REPORT**  
**CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance of Federal-Mogul Goetze (India) Limited for the year ended 31st March, 2020 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 abovementioned Listing Regulations.

We state that in respect of Investors grievances received during the year ended 31st March, 2020, no investor grievances were pending against the Company for a period exceeding thirty days as per the records maintained by the Company which were presented to the shareholders/Investor Grievance Committee. All the investor grievances against the Company were resolved amicably.

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

For **Surinder Vashishtha & Associates**  
**Company Secretaries**

**Surinder Vashishtha**  
**C.P. No. : 12313**  
**UDIN No. A021285B000330814**

Place: Kurukshetra  
Date: 10<sup>th</sup> June 2020

## ANNEXURE-10 TO DIRECTORS' REPORT

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

[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:

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

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

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

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub – total (A)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	41715454	-	41715454	74.984	41715454	-	41715454	74.984	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	41715454	-	41715454	74.984	41715454	-	41715454	74.984	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>41715454</b>	<b>-</b>	<b>41715454</b>	<b>74.984</b>	<b>41715454</b>	<b>-</b>	<b>41715454</b>	<b>74.984</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	5639291	1850	5641141	10.140	1163	1850	3013	0.005	(10.134)
b) Banks / FI	15879	1772	17651	0.032	3875	1772	5597	0.010	(0.021)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1777515	50	1777515	3.195	-	-	-	-	(3.195)
g) FIs	1050	-	1050	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify -FPI's)	160474	-	160474	0.288	8354	1050	9404	0.017	(0.271)
Alternate Investment Funds	67505	-	67505	0.121	-	-	-	-	(0.121)
<b>Sub-total (B)(1):-</b>	<b>7661714</b>	<b>3672</b>	<b>7665386</b>	<b>13.778</b>	<b>13392</b>	<b>4672</b>	<b>18014</b>	<b>0.3</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	577608	4636	582244	1.047	71080	4609	75689	0.14	(0.907)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
l) Individual shareholders holding nominal share capital up to Rs. 2 lakh	1833206	409177	2242383	4.031	1215350	387521	1602871	2.88	(1.151)
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	3313309	-	3313309	5.956	-	-	-	-	(5.956)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)-									
- Trust	2075	-	2075	0.004	2020	-	2020	-	0.004
- NBFCs registered with RBI	9899	-	9899	0.018	-	-	-	-	(0.018)
- Clearing Member	26494	-	26494	0.047	1920	-	1920	-	(0.043)
- HUF	84976	-	84976	0.153	44710	-	44710	-	(0.073)
- NRI	33231	1587	34818	0.063	24493	1568	26061	0.047	(0.016)
Foreign Body-IEH ESCROW Account*	-	-	-	-	12145391	-	12145391	21.83	21.83
<b>Sub-total (B)(2):</b>	<b>5870899</b>	<b>415400</b>	<b>6286299</b>	<b>11.734</b>	<b>13504964</b>	<b>393698</b>	<b>13898662</b>	<b>24.757</b>	<b>0.272</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>13531563</b>	<b>420122</b>	<b>13951685</b>	<b>25.512</b>	<b>13518356</b>	<b>398320</b>	<b>13916676</b>	<b>25.057</b>	<b>0.154</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>55247017</b>	<b>420122</b>	<b>55667139</b>	<b>100%</b>	<b>55233810</b>	<b>398320</b>	<b>55632130</b>	<b>100%</b>	<b>0</b>

\*IEH FMGI Holdings LLC is one of the Persons Acting in Concert (i.e PAC 3) for the purpose of the Open offer as per the arrangement/agreement between IEH FMGI Holdings LLC and Tenneco Inc. (the Acquirer). Post closure of the Tendering period/Open offer, IEH FMGI Holdings LLC held 12,145,391 Equity shares of the Company, i.e 21.83% of the voting share capital of the Company. It is to be noted that in accordance with the provisions of Reg. 2(1)(pp) of SEBI (ICDR) Regulations, IEH FMGI Holdings LLC does not fall under the category of either 'Promoter' or 'Promoter Group', hence, it has been shown under the category of 'Non-promoter group'.

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	-	-
<b>Total</b>		<b>41715454</b>	<b>74.984</b>	<b>-</b>	<b>41715454</b>	<b>74.984</b>	<b>-</b>	<b>-</b>

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.	<b>Federal-Mogul Holdings Limited</b>				
	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.	<b>Federal-Mogul Vermögensverwaltungs-GMBH</b>				
	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):	Nil	Nil	Nil	Nil
	At the End of the year	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.	AMAR INVESTMENTS LIMITED	10097	0.02	30-03-2019	-	-	100097	0.02
2.	HEMRAJ CHATURBHUI ASHER	8098	0.01	30-03-2019	-	-	8098	0.01
3.	MORGAN STANLEY ASIA (SINGAPORE) PTE.	0	0	20-12-2019		Purchase	7882	0.01
4.	VIJAY BIYANI	0	0	05-04-2019		Purchase	17090	0.03
5.	ANIL HERBALS & FOODS PVT. LTD.	12000	0.02	30-03-2019		-	12000	0.02
6.	IEH ESCROW ACCOUNT	0	0	31-01-2020		Purchase	12145391	21.83
7.	RADHIKA BAHADUR RAMNATH	8184	0.01	30-03-2019			8184	0.01
8.	NALIN KHANNA	11139	0.02	30-03-2019			11139	0.02
9.	BHAVNA GOVINDBHAI DESAI	15313	0.03	30-03-2019			15313	0.03
10.	BHAVNA GOVINDBHAI DESAI	0	0	24-05-2019	3212	Transfer	12101	0.02
11.	BHAVNA GOVINDBHAI DESAI	0	0	31-05-2019	3212	Purchase	15313	0.03
12.	RICHA KANKARIA	8000	0.01	30-03-2019	0	0	8000	0.01

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
<b>Dr. Khalid Iqbal Khan</b>				
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:** No other director on the Board of the Company held any shares during the year 2019-20.

**V. INDEBTEDNESS**

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

(Rs. in lacs)

	Secured Long Term Loans excluding deposits	Secured short Term Loans excluding deposits	Unsecured Loans	Inter-corporate Deposit	Depo-sits	Total Indebtedness
Indebtedness at the beginning of the financial year						
li) Principal Amount	Nil	1.45	Nil	6,659.99	Nil	6,661.44
ii) Interest due but not paid	Nil	Nil	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	41.18	Nil	41.81
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>145</b>	<b>Nil</b>	<b>6,701.17</b>	<b>Nil</b>	<b>6,702.62</b>
Change in Indebtedness during the financial year						
• Addition	Nil	Nil	Nil	Nil	Nil	Nil
• Reduction	Nil	(1.45)	Nil	(6,701.17)	Nil	(6,702.62)
<b>Net Change</b>	<b>Nil</b>	<b>(1.45)</b>	<b>Nil</b>	<b>(6,701.17)</b>	<b>Nil</b>	<b>(6,702.62)</b>
Indebtedness at the end of the financial year						
i) Principal Amount	Nil	Nil	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>



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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total
		Vinod Kumar Hans	Manish Chadha	Khalid Iqbal Khan	Rajesh Sinha	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,881,704	7,410,732	7,058,762	8,426,970	34,199,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,175,036	1,106,105	1,432,016	884,632	7,597,789
	(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)	974,756	573,830	335,970	653,400	2,537,956
<b>Total (A)</b>		<b>17,031,496</b>	<b>9,090,668</b>	<b>8,826,748</b>	<b>9,965,002</b>	<b>44,334,745</b>
Ceiling as per the Act		Being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013				

**B. Remuneration to other directors:**
**(Rs. in INR)**

Sl. No.	Particulars of Remuneration	Name of Directors					Total	
		K. N. Subramaniam	Mukul Gupta (till 14th Feb.,'20)	Mahendra Goyal (till 31st Oct.,'19)	S.K.C. Pillai	Nalini Jolly (w.e.f 13th Aug.'20)		
<b>For Independent Directors</b>								
	Fee for attending Board / Committee meetings	960,000	1,220,000	40,000	260,000	380,000	2,860,000	
	Commission	Nil	Nil	Nil	Nil	Nil		
	Others, please specify	Nil	Nil	Nil	Nil	Nil		
	<b>Total (1)</b>	<b>960,000</b>	<b>1,220,000</b>	<b>40,000</b>	<b>260,000</b>	<b>380,000</b>	<b>2,860,000</b>	
<b>Other Non-Executive Directors</b>								
	Fee for attending Board / Committee meetings	Nil	Nil					
	Commission	Nil	Nil					
	Others, please specify	Nil	Nil					
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>					
	<b>Total (1+2)</b>	<b>960,000</b>	<b>1,220,000</b>	<b>40,000</b>	<b>260,000</b>	<b>380,000</b>	<b>2,860,000</b>	
<b>Total Managerial Remuneration</b>			-	-	-	-	-	
	Overall Ceiling as per the Act	Being 11% of the net Profits of the Company calculated as per Section 198 of the Companies Act, 2013						

**Notes:**

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

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

**VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

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

**Vinod Kumar Hans**  
Whole-Time Managing Director  
DIN : 03328309

**Manish Chadha**  
Chief Finance Officer & Finance Director  
DIN : 07195652

Place: Gurugram  
Date: 26<sup>th</sup> June 2020

## ANNEXURE-12 TO DIRECTORS' REPORT

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

#### SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

S.No.	Particulars	Details								
1.	Corporate Identity Number (CIN) of the Company:	L74899DL1954PLC002452								
2.	Name of the Company:	Federal-Mogul Goetze (India) Limited								
3.	Registered address:	DLF Prime Towers, 10 ground Floor, F- 79 & 80, Okhla Phase-I, New Delhi - 110020								
4.	Website:	www.federalmogulgoetzeindia.net								
5.	E-mail ID:	khalid.khan@tenneco.com								
6.	Financial Year reported:	1st April, 2019 to 31st March, 2020								
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	Automobile sector								
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet):	<table border="1"> <thead> <tr> <th>Product</th> <th>NIC Code</th> </tr> </thead> <tbody> <tr> <td>(i) Piston rings</td> <td>2811</td> </tr> <tr> <td>(ii) Pistons</td> <td>2811</td> </tr> <tr> <td>(iii) Pins</td> <td>2811</td> </tr> </tbody> </table>	Product	NIC Code	(i) Piston rings	2811	(ii) Pistons	2811	(iii) Pins	2811
Product	NIC Code									
(i) Piston rings	2811									
(ii) Pistons	2811									
(iii) Pins	2811									
9.	Total number of locations where business activity is undertaken by the Company									
	(a) Number of International Locations (Provide details of major5):	Nil								
	(b) Number of National Locations:	4 manufacturing locations, Registered office, Head Office, 2 sales offices and 17 depots								
10.	Markets served by the Company - Local/State/National/International	All India								

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars	Details
1.	Paidup Capital (INR)	Rs. 556,321,300/-
2.	Total Turnover (INR)	Rs. 106,639.22 lacs
3.	Total profit after taxes(INR)	Rs. 2,983.66 lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%)	Total spending on CSR activities was Rs. 252.04 lacs, which is 2% of the average profits of last 3 years.
5.	List of activities in which expenditure in(4) above has been in incurred:	List of CSR activities is detailed in the Annual Report of CSR activities, Annexure to the Board's Report.

**SECTION C: OTHER DETAILS**

S.No.	Particulars	Details
1.	Does the Company have any Subsidiary Company/ Companies	Yes, the Company has one subsidiary company, viz. Federal-Mogul TPR (India) Limited
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company If yes, then indicate the number of such subsidiary company (s)	The subsidiary company is managed by an independent Board of Directors, which takes its own decisions.
3.	Do any other entity/entities(e.g.suppliers,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. <b>DIN Number:</b> 03328309 2. <b>Name:</b> Mr. Vinod Kumar Hans 3. <b>Designation:</b> Whole-Time Managing Director
	(b) Details of the BR head:	1. <b>DIN Number:</b> 03328309 2. <b>Name :</b> Mr. Vinod Kumar Hans 3. <b>Designation :</b> Whole-Time Managing Director 4. <b>Telephone number:</b> +91 124-4784530 5. <b>E-mail ID :</b> vinod.hans@tenneco.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.

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. Is 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	N	N	N	N	Y	N	
5. Does the company have a specified committee of the Board/Director/ Official to over see the implementation of the policy?	Y**	Y**	Y**	Y**	Y**	Y**	N	Y	Y**	
6. Indicate the link for the policy to be viewed online ?	Y#	Y#	Y#	Y#	Y#	Y#	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	N	N	N	N	Y	N	
(b)If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick upto 2options)								Not applicable		

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

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

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

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

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

3.	Governance related to BR	
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3months, 3-6 months, Annually, More than 1year	Annually
(b)	Does the Company publish a BR or Sustainability Report ? What is the hyper link for viewing this report ? How frequently it is published ?	Yes, the BRR 2020 is part of the Annual Report, which is available on the website of the Company. It is available at: <a href="http://federalmogulgoetzeindia.net/web/index.html">http://federalmogulgoetzeindia.net/web/index.html</a> and is published annually.

**SECTION E : PRINCIPLE - WISE PERFORMANCE**

S.No.	Particulars	Details
<b>Principle 1</b>		
1	Does the policy relating to ethics, bribery and corruption cover only the company Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others	The Company's Code of conduct & Integrity policy include its policy on ethics, bribery and corruption covering the Company and all its vendors, contractors and consultants. Other significant documents that define the standard of behavior of the Company, include affirmation from the vendors/ consultants not to violate any applicable bribery laws and declaration of the code of conduct.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management If so, provide details there of, in about 50 words or so.	During 2019-20, one complaint was received from the shareholder which was satisfactorily resolved and that no shareholder complaint was pending at the end of the year. No complaint was received from other stakeholders.

**Principle 2**

- 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.

The Company has:

**1a. Piston:**

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

**1b. Piston pin:**

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

**1c. Piston rings:**

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

- Development of low axial height rings for friction and oil consumption reduction
- Development of 3 piece oil ring with anti-sticking feature
- Introduction of GDC 60® coating
- Introduction of Cr. Side face coating for CTOH applications
- Development of F16 material
- Introduction of PRiME 3D® analysis for piston ring design optimisation

2. Does the company have procedures in place for sustainable sourcing (including transportation ?)

(a) If yes, what percentage of your in puts was sourced sustainably Also, provide details thereof, in about 50 words or so.

The Company selects the suppliers through a set of procedures, which are followed globally. Suppliers /vendors have to sign and follow the Code of Conduct and Basic Working Conditions Policy for Suppliers posted at <http://www.federalmogul.com/en-US/Company/Pages/Policy-Documents.aspx>. Supplier Manual is also posted at <http://www.federalmogul.com/en-US/Company/Pages/Policy-Documents.aspx> which applies to all suppliers. In the opinion of the Management, the Company's sourcing is sustainable.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company engages local manufacturing suppliers located near its plants as needed and has a supplier development team that ensures monitoring of their performance based on the Company's standards and supporting them to improve performance by training, site visits, audits, etc.

4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of are cycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the Company has adopted Reuse, reduce and recycle methodologies where the natural resources( water) are being reused, waste generation has been reduced and waste is being reused back in process by converting them in to an useful resources.

Also the Company has a mechanism to re-cycle the pistons and Cast Iron (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.
- 4) The Hard chrome waste generated from the PVD process gets reutilized in the Ring foundry process.
- 5) Coolant being reused back after treating in a coolant recovery plant
- 6) Chromic acid being reused back in the chrome plating operation after treating in deionization plant.
- 7) Treated water from the effluent treatment plant and sewage treatment plant is being used for gardening

**Principle 3**

1. Please indicate the Total number of employees - 5021
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 153 (There are total 1670 Casual/Temporary/Contractual Employees).
3. Please indicate the Number of permanent women employees - 15
4. Please indicate the Number of permanent employees with disabilities - 21
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? - 80.19%
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	Childlabour/ forced labour/ in voluntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

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

Sl. No.	Particulars	Bhiwadi Plant	Bangalore Plant	Patiala Plant	Corporate Office
1.	Permanent Employees	100	100	77	100
2.	Permanent Women Employees	100	100	100	83
3.	Casual/Temporary/Contractual Employees	100	100	100	90
4.	Employees with Disabilities	NA	100	NA	NA

**Principle 4**

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stake holders. Under the CSR programmes / projects the Company has been working for the upliftment of the less privileged/under privileged society. The Company considers stakeholders, both internal and external as an integral part of its business. Members are also requested to refer the CSR report forming part of Directors Report.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? Yes
3. Are there any special initiative taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details there of, 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/JointVentures/Suppliers/Contractors/NGOs/Others ?

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

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

During 2019-20, one complaint was received from the shareholder which was satisfactorily resolved and that no shareholder complaint was pending at the end of the year. No complaint was 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 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 ?

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

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

Yes.

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

Nil

**Principle 7**

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

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

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

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

### Principle 8

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8 ?  
If yes details 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 on to community development projects- Amount in INR and the details of the projects under taken ?

The Company's direct contribution to community development projects was Rs. 252 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 2019-20, 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 behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so ?

Nil

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

Yes

## ANNEXURE-13 TO DIRECTORS' REPORT

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

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

Sl. No.	Name of Director	Designation	Ratio to median remuneration of the employees
1	Mr. Vinod Kumar Hans	Whole-time Managing Director	36.66
2	Dr. Khalid Iqbal Khan	Whole-time Director - Legal & Company Secretary	20.16
3	Mr. Manish Chadha	CFO & Finance Director	18.85
4	Mr. Rajesh Sinha	Whole-time Director	21.62

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

Sl. No.	Name of Director	Designation	% increase in remuneration
1	Mr. Vinod Kumar Hans	Whole-time Managing Director	Nil
2	Dr. Khalid Iqbal Khan	Whole-time Director - Legal & Company Secretary	16%
3	Mr. Manish Chadha	CFO & Finance Director	Nil
4	Mr. Rajesh Sinha	Whole-time Director	Nil

- (iii) The percentage increase in the median remuneration of employees in the financial year – 9.22%
- (iv) The number of permanent employees on the rolls of Company – 3363
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration - The average percentile increase was 9.22% in the salaries of employees other than the Managerial Personnel. The percentile increase in the managerial remuneration is 2.9%. Remuneration of Managerial Personnel is also based on individual contribution in meeting targets of the Company as well as various other factors such as competitive market practices, inflation etc.
- (v) It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

**ANNEXURE-14 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
<b>A. Employed throughout the year and in receipt of remuneration not less than Rs. 1,02,00,000 per annum</b>											
1.	Mr. Vinod Kumar Hans	Whole-time Managing Director	1,70,31,496	Contractual	B.E.(Mech), PGDBM	33	1-Jul-08	54	GKN Driveline (India) Ltd.	Nil	No
2.	Mr. Sreenivasan N V	Information System Director-India	1,19,22,431	Contractual	DEE, B.Tech, Fast Track Business Management Program	30	11-Jul-11	49	Areva T & D India Ltd.	Nil	No
<b>B. Employed for a part of the year and in receipt of remuneration not less than Rs. 8,50,000 per month</b>											
NIL											

**Notes:**

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

<b>Name of TOP 10 employees of the Company in terms of remuneration drawn as on 31<sup>st</sup> March 2020</b>		<b>Total Gross remuneration as on 31<sup>st</sup> March 2020 (Amt. in Rupees)</b>
<b>Sl. No.</b>	<b>Name of Employee</b>	
1.	Mr. Vinod Kumar Hans	1,70,31,496
2.	Mr. Sreenivasan N V	1,19,22,431
3.	Mr. Rajesh Sinha	99,65,002
4.	Mr. Manish Chadha	90,90,668
5.	Mr. Sanjeev Sharma	74,52,612
6.	Dr. Khalid Iqbal Khan	88,26,748
7.	Mr. Rakesh Kumar	56,54,878
8.	Mr. Jasbir Singh	59,47,751
9.	Mr. Mritunjay Nath Sahu	80,86,390
10.	Mr. S S Srinivasa	51,16,137

## INDEPENDENT AUDITOR'S REPORT

To the Members of Federal Mogul Goetze (India) Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of Federal Mogul Goetze (India) Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian

Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is

sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

4. We draw attention to Note 49 of the accompanying financial statements, which describes the uncertainties due to the outbreak of Covid-19 pandemic and the management's evaluation of the impact on the financial statements of the Company as at the balance sheet date. Our opinion is not modified in respect of this matter.

### Key Audit Matter

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

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

### Key audit matter

#### Provisions and contingent liabilities relating to litigations

As disclosed in Note 37 to the standalone financial statements, the Company is involved in various direct taxes, indirect taxes, labour laws and other litigations ('litigations') that are pending with various tax authorities and courts. The Company has recognised provisions aggregating to Rs. 1,517.08 lacs and disclosed contingent liabilities of Rs. 5,747.70 Lacs related to these litigations.

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

### How our audit addressed the key audit matter

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

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

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

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

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

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

We have determined that there are no other key audit matters to communicate in our report.

**Information other than the financial statements and Auditor Report thereon**

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

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

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

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

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

8. The accompanying standalone financial statements have been approved by the Company’s Board of Directors. The Company’s Board of Directors is

responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to

liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors is also responsible for overseeing the Company’s financial reporting process.

**Auditor’s Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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

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

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

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

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

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships

and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### **Report on Other Legal and Regulatory Requirements**

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

17. 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.

18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, 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 accompanying standalone financial statements;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of

the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 26 June 2020 as per Annexure B expressed an unmodified opinion; and

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

i. the Company, as detailed in note 37 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

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

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

**Anamitra Das**  
 Partner

**Membership No.:062191**  
**UDIN: 20062191AAAAGF4066**

Place: Gurugram  
 Date: 26<sup>th</sup> June, 2020

**Annexure A**

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

- |  |  |  |
|--|--|--|
| <p>i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, intangible assets and right of use assets.</p> <p>(b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.</p> <p>(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment' and 'Right of use asset') are held in the name of the Company.</p> <p>(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit No Statement of Disputed Dues</p> | <p>material discrepancies were noticed on the aforesaid verification.</p> <p>(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.</p> <p>(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.</p> <p>(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.</p> <p>(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central</p> | <p>Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.</p> <p>(vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof, were outstanding at the year-end for a period of more than six months from the date they became payable.</p> <p>(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:</p> |
|--|--|--|

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Amount paid under protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	16.54	-	1995-1996 and 1996-1997	Honorable High Court, Delhi
Income tax Act, 1961	Income tax	432.49	-	1997-98	Honorable High Court, Delhi
Income tax Act, 1961	Income tax	17.83	-	1999-00	Supreme Court
Income tax Act, 1961	Income tax	59.68	-	1999-00	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	12.34	-	2000-01	Honorable Supreme Court
Income tax Act, 1961	Income tax	2.21	-	2007-08	Assessing officer
Income tax Act, 1961	Income tax	1,705.46	-	2010-11	Income Tax Appellate Tribunal and Commissioner of Income Tax (Appeals)



Name of the statute	Nature of dues	Amount (Rs. in lacs)	Amount paid under protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	1.90	-	2011-12	Assessing officer
Income tax Act, 1961	Income tax	63.69	-	2014-15	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	786.49	-	2015-16	Assessing officer
Income tax Act, 1961	Income tax	528.89	142.15	2016-17	Commissioner of Income Tax (Appeals)
The Central Excise Act, 1944	Excise Duty	1.17	-	1995-1996	Joint Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	1.36	-	2003-2004	Joint Commissioner of Central Excise, Patiala, Punjab
The Central Excise Act, 1944	Excise Duty	1.76	-	1997-1999	Assistant Commissioner of Central Excise, Patiala, Punjab
The Central Excise Act, 1944	Excise Duty	1.86	-	1997-98	Joint Commissioner of Central Excise, Patiala, Punjab
The Central Excise Act, 1944	Excise Duty	6.96	-	1998-1999	Joint Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	3.32	-	2001-2002	Additional Commissioner of Central Excise
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	3.55	-	2008-11	Assistant Commissioner, Bhiwadi, Rajasthan
Finance Act, 1994 (Service Tax)	Service tax	13.02	-	2006-08	Joint commissioner, Jaipur Rajasthan
Finance Act, 1994 (Service Tax)	Service tax	13.56	-	2010-2011	Joint commissioner, Jaipur Rajasthan
Finance Act, 1994 (Service Tax)	Service tax	28.70	-	2011-2012	Joint commissioner, Jaipur Rajasthan
Finance Act, 1994 (Service Tax)	Service tax	310.40	330.18	2008-12	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax	16.61	-	2009-10	Joint Commissioner, Jaipur, Rajasthan
Finance Act, 1994 (Service Tax)	Service tax	5.81	0.58	2012-2013	Commissioner of Central Excise
Finance Act, 1994 (Service Tax)	Service tax	113.70	4.60	May 2005 to July 2005	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax	194.00	14.60	Oct 2008 to March 2013	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax	0.09	-	May, 2008 To Dec 2008	Add. Commissioner, Jaipur
Finance Act, 1994 (Service Tax)	Service tax	48.53	-	2013-17	Deputy Commissioner
West Bengal VAT Act, 2003	Value added tax	1.56	-	2001-2002	Commissioner (Appeals)
West Bengal VAT Act, 2003	Value added tax	1.87	-	2004-2005	Commissioner (Appeals)
West Bengal VAT Act, 2003	Value added tax	1.76	-	2006-2007	Commissioner (Appeals)
West Bengal VAT Act, 2003	Value added tax	1.18	-	2006-2007	Commissioner (Appeals)
Karnataka VAT Act, 2003	Value Added tax	1.36	-	2007-2008	Assistant. Commissioner, Bangalore
Karnataka VAT Act, 2003	Value added tax	13.38	-	2008-09	Joint Commissioner Appeal

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Amount (Rs. in lacs)</b>	<b>Amount paid under protest (Rs. in lacs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Uttaranchal VAT Act, 2005	Value Added Tax	33.38	33.38	2010-11	Special Commissioner Objection Hearing
Gujarat VAT Demand Act, 2003	Value Added Tax	568.25	56.83	2012-13	Special Commissioner Objection Hearing
Gujarat CST Demand	Value Added Tax	39.28	3.93	2012-13	Special Commissioner Objection Hearing
Uttar Pradesh VAT Act, 2008	Value Added Tax	4.03	-	2014-15	Uttar Pradesh, ADC Ghaziabad
Andhra Pradesh VAT Act, 2005	Value added tax	35.00	5.48	2013-14	Deputy Commissioner, Appeal
Rajasthan VAT Act, 2003	Value Added Tax	91.34	-	2014-17	Assistant Commissioner, Bhiwadi, Rajasthan

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

**For Walker Chandiook & Co LLP****Chartered Accountants**Firm's Registration No.: **001076N/N500013****UDIN: 20062191AAAAGF4066****Anamitra Das**

Partner

**Membership No.: 062191**

Place: Gurugram

Date: 26<sup>th</sup> June 2020

**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) Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance 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 the Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by The Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and 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 internal financial controls with

reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide

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

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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 issued by the ICAI.

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

**Anamitra Das**  
Partner  
**Membership No.:062191**  
**UDIN: 20062191AAAAGF4066**

Place: Gurugram  
Date: 26<sup>th</sup> June 2020

**Federal-Mogul Goetze (India) Limited**  
**Balance Sheet as at 31 March 2020**  
*(All amounts in Rs. lacs, unless otherwise stated)*

	Notes	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	3	51,581.60	54,034.00
Capital work-in-progress	3	3,602.49	2,805.67
Right of use assets	3	484.02	-
Intangible assets	3A	37.09	37.69
Financial assets			
- Investments	4	516.94	516.94
- Loans	5	1,289.40	1,210.53
- Other financial assets	6	491.36	595.32
Current tax assets (net)	7	632.75	362.55
Other non-current assets	8	1,009.89	1,309.65
		<b>59,645.54</b>	<b>60,872.35</b>
<b>Current assets</b>			
Inventories	9	18,443.40	20,669.78
Financial assets			
- Trade receivables	10	18,370.23	22,883.99
- Cash and cash equivalents	11	2,869.92	942.21
- Other bank balances	11a	2,000.00	-
- Loans	5	60.69	108.38
- Other financial assets	6	1,124.55	1,252.15
Other current assets	8	1,165.36	2,129.07
		<b>44,034.15</b>	<b>47,985.58</b>
<b>TOTAL ASSETS</b>		<b>1,03,679.69</b>	<b>1,08,857.93</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	5,563.21	5,563.21
Other equity	13	69,849.17	67,777.55
		<b>75,412.38</b>	<b>73,340.76</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Lease liabilities	17A	7.60	-
Provisions	14	4,420.22	3,741.59
Deferred tax liabilities (net)	15	713.72	1,936.47
		<b>5,141.54</b>	<b>5,678.06</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	16	-	6,661.45
- Trade payables	17	-	-
- total outstanding dues of micro enterprises and small enterprises		911.89	2,050.15
- total outstanding dues of creditors other than micro enterprises and small enterprises		18,838.03	16,292.75
- Lease liabilities	17A	139.58	-
- Other financial liabilities	18	787.40	938.08
Other current liabilities	19	814.44	1,807.48
Provisions	14	1,634.43	2,089.20
		<b>23,125.77</b>	<b>29,839.11</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,03,679.69</b>	<b>1,08,857.93</b>

The above Balance Sheet should be read in conjunction with the accompanying notes

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

**For Walker Chandio & Co LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner  
Membership No.: 062191

Place: Gurugram  
Date: 26<sup>th</sup> June 2020

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

**Vinod Kumar Hans**

Whole Time Managing Director  
DIN : 03328309

**Khalid Iqbal Khan**

Whole Time Director- Legal & Company Secretary  
DIN : 05253556

**Manish Chadha**

Chief Finance Officer & Finance Director  
DIN : 07195652

**Federal-Mogul Goetze (India) Limited**  
**Statement of Profit and Loss for the year ended 31 March 2020**  
(All amounts in Rs. lacs, unless otherwise stated)

	Notes	31 March 2020 Year ended	31 March 2019 Year ended
<b>INCOME</b>			
Revenue from operations	20	1,06,639.22	1,31,897.90
Other income	21	2,476.05	2,849.34
<b>Total income</b>		<b>1,09,115.27</b>	<b>1,34,747.24</b>
<b>Expenses</b>			
Cost of materials consumed	22	33,947.30	45,921.00
Purchases of stock-in-trade	23	1,580.42	1,451.74
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	2,144.64	(2,833.59)
Employee benefits expense	25	28,507.52	29,757.16
Finance cost	26	482.00	874.30
Depreciation and amortisation expense	27	8,862.75	8,151.33
Other expenses	28	30,280.67	38,582.53
<b>Total expenses</b>		<b>1,05,805.30</b>	<b>1,21,904.47</b>
<b>Profit before tax</b>		<b>3,309.97</b>	<b>12,842.77</b>
<b>Tax expense</b>			
Current tax	30	1,242.33	4,231.16
Deferred tax expense	30	(916.02)	360.76
Total tax expense		326.31	4,591.92
<b>Profit for the year</b>		<b>2,983.66</b>	<b>8,250.85</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the post employment defined benefit plans loss/(gain)		1,218.78	(467.44)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(306.74)	163.32
<b>Total Other Comprehensive Income</b>		<b>912.04</b>	<b>(304.12)</b>
<b>Total Comprehensive Income</b>		<b>2,071.62</b>	<b>8,554.97</b>
Earnings per equity share (of Rs 10 each)	29		
Basic (Rs)		5.36	14.83
Diluted (Rs)		5.36	14.83

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

**For Walker Chandiok & Co LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner  
Membership No.: 062191

Place: Gurugram  
Date: 26<sup>th</sup> June 2020

**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**  
**Cash flow statement for the year ended March 31, 2020**  
*(All amounts in Rs. lacs, unless otherwise stated)*

	31 March 2020 Year ended	31 March 2019 Year ended
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>3,309.97</b>	<b>12,842.77</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	8,862.75	8,151.33
Loss on sale / discard of fixed assets (net)	170.26	70.71
Provision for doubtful debts and advances	-	76.66
Excess liabilities written back	(443.45)	(522.70)
Provision for warranties	43.18	-
Bad debts / advances written off	41.81	31.91
Interest income	(128.54)	(89.23)
Dividend income	(318.75)	(311.10)
Interest expense	482.00	874.30
Unrealised forex (gain)/loss (net)	(205.57)	203.52
<b>Operating profit before working capital changes</b>	<b>11,813.66</b>	<b>21,328.17</b>
Movements in working capital:		
Decrease/(Increase) in trade/other receivables	4,677.53	(2,387.45)
Decrease/(Increase) in inventories	2,226.38	(2,467.88)
Decrease/(Increase) in other current and non-current financial assets	102.06	(6.07)
Decrease in other current and non-current assets	908.48	415.23
(Decrease) in other current and non-current financial liabilities	(30.51)	(18.22)
(Decrease) in other current and non-current liabilities	(993.04)	(447.24)
(Decrease) in current and non-current provisions	(1,038.09)	(1,116.99)
Increase in trade payables	1,850.48	1,112.22
<b>Cash flow from operating activities post working capital changes</b>	<b>19,516.95</b>	<b>16,411.77</b>
Income tax paid (net)	(1,512.53)	(4,840.14)
<b>Net cash generated from operating activities</b>	<b>18,004.42</b>	<b>11,571.63</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work-in-progress)	(7,252.09)	(10,777.38)
Proceeds from sale property, plant and equipment	39.99	295.78
Movement in other bank balances (net)	(1,896.04)	(28.08)
Investment purchased	-	(3.69)
Interest received	122.90	116.56
Dividends received	318.75	311.10
<b>Net cash used in investing activities</b>	<b>(8,666.49)</b>	<b>(10,085.71)</b>
<b>C. Cash flows from financing activities</b>		
Movement in borrowings(Short term)	(6,660.00)	(1.62)
Repayment of Lease liabilities	(230.98)	-
Interest paid	(517.79)	(829.02)
<b>Net cash used in financing activities</b>	<b>(7,408.77)</b>	<b>(830.64)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>1,929.16</b>	<b>655.28</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>940.76</b>	<b>285.48</b>
Cash and cash equivalents at the end of the year	2,869.92	940.76
<b>Cash and cash equivalents as per above comprise of the following (refer note no 11)</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
With banks - on current account	2,869.92	942.21
Cash credit facilities from banks (bank overdrafts)	-	(1.45)
	<b>2,869.92</b>	<b>940.76</b>

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

**For Walker Chandiook & Co LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner  
 Membership No.: 062191

Place: Gurugram  
 Date: 26<sup>th</sup> June 2020

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

**Vinod Kumar Hans**

Whole Time Managing Director  
 DIN : 03328309

**Khalid Iqbal Khan**

Whole Time Director- Legal & Company Secretary  
 DIN : 05253556

**Manish Chadha**

Chief Finance Officer & Finance Director  
 DIN : 07195652

**Federal-Mogul Goetze (India) Limited**  
**Statement of changes in equity as at 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Balance as at 01 April 2018	Change in equity share capital during the year	Balance as at 31 March 2019	Change in equity share capital during the year	Balance as at 31 March 2020
<b>A) Equity share capital</b>	<b>5,563.21</b>	-	<b>5,563.21</b>	-	<b>5,563.21</b>
<b>B) Other equity</b>			<b>Reserves and surplus</b>		
Particulars	Capital reserve	Capital redemption reserve	Securities premium	Retained earnings	Total
<b>Balance as at 01 April 2018</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>31,415.29</b>	<b>59,222.58</b>
Additions during the year:					
Profit for the year	-	-	-	8,250.85	8,250.85
<b>Other Comprehensive Income for the year ended</b>					
Remeasurements of the post employment defined benefit plans gain (net of tax)	-	-	-	304.12	304.12
<b>Balance as at 31 March 2019</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>39,970.26</b>	<b>67,777.55</b>
Additions during the year:					
Profit for the year	-	-	-	2,983.66	2,983.66
<b>Other Comprehensive Income for the year ended</b>					
Remeasurements of the post employment defined benefit plans gain (net of tax)	-	-	-	(912.04)	(912.04)
<b>Balance as at 31 March 2020</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>42,041.88</b>	<b>69,849.17</b>

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

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

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

Place: Gurugram  
Date: 26<sup>th</sup> June 2020

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

**Vinod Kumar Hans**  
Whole Time Managing Director  
DIN : 03328309

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

**Manish Chadha**  
Chief Finance Officer &  
Finance Director  
DIN : 07195652



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

### 1. Corporate information

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

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

Federal Mogul Holdings Limited, Mauritius, is the immediate parent company and ultimate parent company is Tenneco Inc., USA (from 01 October 2018, erstwhile parent Federal Mogul LLC, USA).

### Statement of significant accounting policies

#### 2.1 Statement of compliance with Ind AS

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

The financial statements for the year ended 31 March 2020 were authorised and approved for issue by the Board of Directors on 26 June 2020.

#### 2.2 Summary of Significant Accounting Policies

##### a) Overall consideration

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

##### *Basis of preparation*

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

##### b) Current and non-current classification

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

##### c) Use of estimates

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

##### d) Property, plant and equipment

##### *Recognition and initial measurement*

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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

*Subsequent measurement (depreciation and useful lives)*

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

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

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

*De-recognition*

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

**e) Intangible assets**

*Recognition and initial measurement*

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

*Subsequent measurement (amortisation)*

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

**f) Impairment of non-financial assets**

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

**g) Impairment of financial assets**

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

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

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

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

### *Trade receivables*

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

### *Other financial assets*

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

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

## **h) Financial instruments**

### *Initial recognition and measurement*

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

#### **Non-derivative financial assets**

##### *Subsequent measurement*

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

#### **Non-derivative financial liabilities**

##### *Subsequent measurement*

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

##### *De-recognition of financial liabilities*

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

#### **Offsetting of financial instruments**

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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020****i) Fair Value of financial instrument**

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

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

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

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

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

**i) Leases****Transition**

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

Refer note 39 for details.

**The Company as a lessee**

The Company's leased asset classes primarily consist of leases for land and Building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on the remaining term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

### The Company as a lessor

Leases for which the Company is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

### k) Inventories

Inventories are valued as follows:

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

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

### l) Revenue Recognition

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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020****i) Sale of products**

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

*Satisfaction of performance obligations*

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

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

*Payment terms*

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

*Variable considerations associated with such sales*

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

## ii) Job Work:

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

## iii) Interest:

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

## iv) Dividends:

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

## v) Commission:

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

## vi) Export Benefits/Incentives:

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

## vii) Management support charges:

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

## viii) Lease income:

Rental income is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

### m) Borrowing Costs

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

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

### n) Foreign Currency Transactions

#### *Functional and presentation currency*

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

#### *Transactions and balances*

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

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

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

#### o) Retirement and other employee benefits

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

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

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

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

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

#### (iv) Superannuation Benefit

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

#### (v) National Pension Scheme

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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020****p) Income Taxes**

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

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India.

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

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

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

**q) Earnings per Share**

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

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

**r) Provisions, contingent liabilities and contingent assets**

Provisions are recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are discounted to their present values, where the time value of money is material. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

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

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

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

Contingent liability is disclosed for:

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

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

**s) Cash and Cash Equivalents**

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



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

### t) Segment Reporting Policies

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

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

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

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

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

#### *Significant management judgements*

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

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

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

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

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

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

#### *Significant estimates*

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

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

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

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**3. Property plant and equipments**

	Freehold land	Leasehold land	Building	Furniture and fittings and office equipment	Plant and machinery	Vehicles	Total	Right of use assets (ROU)	Capital work-in-progress
<b>Gross carrying amount</b>									
Opening gross carrying amount as on 01 April 2018	1,485.16	362.87	11,501.42	1,720.13	1,11,659.35	405.15	1,27,134.08	-	3,308.51
Additions / transfers	-	-	463.83	100.07	10,611.17	11.88	11,186.95	-	8,068.01
Disposals / transfer to gross block	-	-	(24.37)	(23.84)	(1,644.85)	(10.54)	(1,703.60)	-	(8,570.85)
<b>Closing gross carrying amount as on 31 March 2019</b>	<b>1,485.16</b>	<b>362.87</b>	<b>11,940.88</b>	<b>1,796.36</b>	<b>1,20,625.67</b>	<b>406.49</b>	<b>1,36,617.43</b>	-	<b>2,805.67</b>
<b>Gross carrying amount</b>									
Opening gross carrying amount as on 01 April 2019	1,485.16	-	11,940.88	1,796.36	1,20,625.67	406.49	1,36,254.56	362.87	2,805.67
Additions / transfers	-	-	297.50	83.33	6,410.39	35.71	6,826.93	357.29	7,014.62
Disposals / transfer to gross block	-	-	(27.67)	(25.80)	(1,834.73)	(13.25)	(1,901.45)	-	(6,217.80)
<b>Closing gross carrying amount as on 31 March 2020</b>	<b>1,485.16</b>	-	<b>12,210.71</b>	<b>1,853.89</b>	<b>1,25,201.33</b>	<b>428.95</b>	<b>1,41,180.04</b>	<b>720.16</b>	<b>3,602.49</b>
<b>Accumulated Depreciation</b>									
Opening accumulated depreciation as on 01 April 2018	-	8.56	5,124.58	1,190.64	69,194.09	273.66	75,791.53	-	-
Depreciation charge during the year	-	4.28	365.45	107.82	7,621.08	29.23	8,127.86	-	-
Disposals / adjustments	-	-	(16.70)	(22.86)	(1,285.86)	(10.54)	(1,335.96)	-	-
<b>Closing accumulated depreciation as on 31 March 2019</b>	-	<b>12.84</b>	<b>5,473.33</b>	<b>1,275.60</b>	<b>75,529.31</b>	<b>292.35</b>	<b>82,583.43</b>	-	-
<b>Accumulated Depreciation</b>									
Opening accumulated depreciation as on 01 April 2019	-	-	5,473.33	1,275.60	75,529.31	292.35	82,570.59	12.84	-
Depreciation charge during the year	-	-	380.05	90.69	8,137.10	31.01	8,638.85	223.30	-
Disposals / adjustments	-	-	(19.72)	(24.70)	(1,553.37)	(13.21)	(1,611.00)	-	-
<b>Closing accumulated depreciation as on 31 March 2020</b>	-	-	<b>5,833.66</b>	<b>1,341.59</b>	<b>82,113.04</b>	<b>310.15</b>	<b>89,598.44</b>	<b>236.14</b>	-
<b>Net carrying amount as on 31 March 2019</b>	<b>1,485.16</b>	<b>350.03</b>	<b>6,467.55</b>	<b>520.76</b>	<b>45,096.36</b>	<b>114.14</b>	<b>54,034.00</b>	-	<b>2,805.67</b>
<b>Net carrying amount as on 31 March 2020</b>	<b>1,485.16</b>	-	<b>6,377.05</b>	<b>512.30</b>	<b>43,088.29</b>	<b>118.80</b>	<b>51,581.60</b>	<b>484.02</b>	<b>3,602.49</b>

**Contractual obligations**

Refer to note no. 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 3A. Intangible assets

	Software	Total intangible assets
<b>Year ended 31 March 2019</b>		
<b>Gross carrying amount</b>		
Opening gross carrying amount	109.16	109.16
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount as on 31 March 2019</b>	<b>109.16</b>	<b>109.16</b>
<b>Year ended 31 March 2020</b>		
<b>Gross carrying amount</b>		
Opening gross carrying amount	109.16	109.16
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount as on 31 March 2020</b>	<b>109.16</b>	<b>109.16</b>
<b>Accumulated Amortisation</b>		
Opening accumulated amortisation	48.00	48.00
Amortisation charge during the year	23.47	23.47
Disposals / adjustments	-	-
<b>Closing accumulated amortisation as on 31 March 2019</b>	<b>71.47</b>	<b>71.47</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation	71.47	71.47
Amortisation charge during the year	0.60	0.60
Disposals / adjustments	-	-
<b>Closing accumulated amortisation as on 31 March 2020</b>	<b>72.07</b>	<b>72.07</b>
<b>Net Carrying amount as on 31 March 2019</b>	<b>37.69</b>	<b>37.69</b>
<b>Net Carrying amount as on 31 March 2020</b>	<b>37.09</b>	<b>37.09</b>

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**4. Investments**

	As at 31 March 2020	As at 31 March 2019
Carrying value at cost*		
<b>(i) Investment in equity shares of subsidiary company, unquoted</b>		
5,100,000 Equity shares (as on 31 March 2019 : 5,100,000 equity shares (fully paid of Rs 10 each) of Federal-Mogul TPR (India) Limited. Carried at cost which is approximately equivalent to fair value	510.00	510.00
<b>(ii) Investment in equity shares of other entity unquoted</b>		
67,690 Equity shares (as on 31 March 2019 : 32,500 equity shares, equity shares of Rs 10 each fully paid in Vyshali Energy Private Limited Carried at fair value	6.94	6.94
<b>(iii) Unquoted equity shares#</b>		
3,889,600 (as on 31 March 2019 : 3,889,600, equity shares of Rs 5 each, fully paid in GI Power Corporation Limited.	-	-
	<b>516.94</b>	<b>516.94</b>

\*Investments in subsidiary is stated at cost using the exemption provided as per Ind AS 27 'Separate Financial Statements'.

# The fair value of unquoted equity share is Nil (as on 31 March 2019, Nil)

**5. Loans**

	As at 31 March 2020		As at 31 March 2019	
	Non current	Current	Non current	Current
Security deposits*	1,289.40	60.69	1,210.53	108.38
	<b>1,289.40</b>	<b>60.69</b>	<b>1,210.53</b>	<b>108.38</b>

\* The company does not have loans which are either credit impaired or where there is significant increase in credit risk.

**6. Other financial assets**

	As at 31 March 2020		As at 31 March 2019	
	Non current	Current	Non current	Current
<b>Unsecured, considered good</b>				
Margin money deposits - pledged with government authorities	491.36	-	595.32	-
Export Incentive receivables	-	468.30	-	504.69
Earnest money deposits	-	17.73	-	13.02
Other receivables	-	638.52	-	734.44
	<b>491.36</b>	<b>1,124.55</b>	<b>595.32</b>	<b>1,252.15</b>

Refer Note no. 31 for fair value disclosures in respect of financial assets measured at amortised cost and refer Note no. 32 for financial risk management.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 7. Current tax assets/ liabilities

	As at 31 March 2020	As at 31 March 2019
<b>Current tax assets</b>		
Advance taxes paid (net of provision for tax)	<b>632.75</b>	<b>362.55</b>

### 8. Other assets

	As at 31 March 2020		As at 31 March 2019	
	Non current	Current	Non current	Current
Capital advances (Unsecured, considered good)	<b>122.01</b>	-	474.00	-
<b>Advances other than capital advances:</b>				
Unsecured, considered good	-	<b>605.28</b>	-	1,557.52
Unsecured, considered doubtful	-	<b>3.96</b>	-	20.46
Less: Provision for doubtful advances	-	<b>(3.96)</b>	-	(20.46)
	-	<b>605.28</b>	-	1,557.52
Prepaid expenses	<b>25.11</b>	<b>560.08</b>	37.59	571.55
Paid to government authorities under protest	<b>862.77</b>	-	798.06	-
	<b>1,009.89</b>	<b>1,165.36</b>	<b>1,309.65</b>	<b>2,129.07</b>

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

	As at 31 March 2020	As at 31 March 2019
Raw materials and components (includes stock in transit of Rs.506.34 lacs (previous year Rs. 274.48 lacs)	<b>2,052.25</b>	1,810.54
Work-in-progress	<b>5,525.75</b>	5,940.99
Finished goods	<b>8,556.81</b>	10,144.85
Traded goods	<b>15.00</b>	13.57
Stores and spares (includes stock in transit of Rs.32.05 lacs (previous year Rs.20.60 lacs)	<b>2,293.59</b>	2,617.04
Reusable scrap	-	142.79
	<b>18,443.40</b>	<b>20,669.78</b>

Note : The cost of inventories recognised as an expense includes Rs.241.74 lacs (previous year Rs. 364.56 lacs) in respect of write-downs of inventory to net realisable value. The same has been included in note no. 22, 23 and 24.

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**10. Trade receivables**

	As at 31 March 2020	As at 31 March 2019
Secured, considered good	422.48	452.98
Unsecured, considered good	18,023.92	22,549.78
Unsecured, Significant increase in Credit Risk	172.07	166.83
	<b>18,618.47</b>	<b>23,169.59</b>
Less: Allowances for expected Credit losses	(248.24)	(285.60)
	<b>18,370.23</b>	<b>22,883.99</b>

**Notes:**

(1) The credit period generally allowed on domestic sales as well as export sales varies from 30 to 60 days (excluding transit period).

(2) Refer note no. 32 for provision for doubtful debts.

(3) Refer note no. 38 for balances due from related party.

**11. Cash and cash equivalents**

	As at 31 March 2020	As at 31 March 2019
Balances with scheduled banks:		
- Current accounts	2,869.92	942.21
	<b>2,869.92</b>	<b>942.21</b>
(a) Other bank balance		
Fixed deposit with original maturity more than 3 months but less than 12 months	2,000.00	-
	<b>2,000.00</b>	-

**12. Equity share capital**

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Authorized shares</b>		
80,000,000 (as on 31 March 2019 : 80,000,000, equity shares of Rs. 10 each.	<b>8,000.00</b>	8,000.00
	<b>8,000.00</b>	8,000.00
<b>Issued, subscribed and fully paid-up shares</b>		
55,632,130 (31 March 2019 : 55,632,130, equity shares of Rs.10 each.	<b>5,563.21</b>	5,563.21
	<b>5,563.21</b>	<b>5,563.21</b>

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

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

Name of Shareholder	31 March 2020		31 March 2019	
	No.	% holding	No.	% holding
Equity shares of Rs.10/- fully paid				
Federal Mogul Holding Limited, Mauritius, the Holding company	<b>33,408,581</b>	<b>60.05%</b>	33,408,581	60.05%
Federal Mogul Vermögensverwaltungs GMBH, a fellow subsidiary company	<b>8,306,873</b>	<b>14.93%</b>	8,306,873	14.93%

## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### (d) 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 2020		31 March 2019	
	No.	% holding	No.	% holding
<b>Equity shares of Rs. 10/- fully paid</b>				
a) Federal Mogul Holding Limited, Mauritius, the Holding company	3,34,08,581	60.05%	3,34,08,581	60.05%
b) Federal Mogul Vemogensverwaltung GMBH, a Fellow subsidiary company	83,06,873	14.93%	83,06,873	14.93%
c) Reliance Capital Trustee Company Limited	-	-	54,39,254	9.78%
d) IEH FMGI Holdings LLC	1,21,45,391	21.83%	-	-

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

(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 any equity shares during the last five years.

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

### 13. Other equity

	Capital reserve	Capital redemption reserve	Securities premium account	Retained earnings	Total
<b>Balance as at 1 April 2018</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>31,415.29</b>	<b>59,222.58</b>
Profit for the year	-	-	-	8250.85	8,250.85
Items of other comprehensive income recognised directly in retained earnings:					
Remeasurements of the post employment defined benefit plans gain/(loss) (net of tax)	-	-	-	304.12	304.12
<b>Balance as at 31 March 2019</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>39,970.26</b>	<b>67,777.55</b>
Profit for the year	-	-	-	2,983.66	2,983.66
Items of other comprehensive income recognised directly in retained earnings:					
Remeasurements of the post employment defined benefit plans gain (net of tax)	-	-	-	(912.04)	(912.04)
<b>Balance as at 31 March 2020</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>42,041.88</b>	<b>69,849.17</b>

### Description of nature and purpose of each reserve

**Capital Reserve** - Capital reserve was created on amalgamation of Escort Pistons Limited with Couple Investments Private Limited and Sintered Products Limited with Goetze India Limited in previous years.

**Capital Redemption Reserve** - This reserve was created for redemption of preference shares in the financial year 2003-04. The preference shares were redeemed in the financial year 2003-04.

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**14. Provisions**

	<b>As at</b>		<b>As at</b>	
	<b>31 March 2020</b>		<b>31 March 2019</b>	
	<b>Non</b>	<b>Current</b>	<b>Non</b>	<b>Current</b>
	<b>Current</b>		<b>Current</b>	
<b>Provision for employee benefits</b>				
Provision for gratuity (refer Note no. 40)	<b>3,316.04</b>	-	2,539.83	-
Provision for compensated absences	<b>989.52</b>	<b>232.01</b>	960.83	148.63
	<b>4,305.56</b>	<b>232.01</b>	3,500.66	148.63
Provision for regulatory matters (refer Note (a) below)	<b>114.66</b>	<b>1,402.42</b>	240.93	1,940.57
	<b>114.66</b>	<b>1,402.42</b>	240.93	1,940.57
	<b>4,420.22</b>	<b>1,634.43</b>	3,741.59	2,089.20

**Note (a)**

<b>Provisions movement</b> <b>(also refer Note no. 44)</b>	<b>31 March 2020</b>			<b>31 March 2019</b>		
	<b>Regulatory matters</b>	<b>Warranty</b>		<b>Regulatory matters</b>	<b>Warranty</b>	
	<b>Non current</b>	<b>Current</b>	<b>Current</b>	<b>Non current</b>	<b>Current</b>	<b>Current</b>
Opening balance	<b>240.93</b>	<b>1,940.57</b>	-	81.75	2,244.77	11.92
Provision made during the year	-	<b>132.01</b>	-	191.88	283.83	-
Utilised during the year	<b>(93.13)</b>	<b>(670.16)</b>	-		(588.03)	(11.92)
Finance expense on unwinding of provision	<b>(33.14)</b>	-	-	(32.70)	-	-
Closing balance	<b>114.66</b>	<b>1,402.42</b>	-	<b>240.93</b>	<b>1,940.57</b>	-



## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 15. Deferred tax liabilities (net)

	Opening balance as on 1 April 2018	Recognised in statement of profit & loss	Recognised in OCI	Closing balance as on 31 March 2019
<b>2018-2019</b>				
<b>Deferred tax assets</b>				
Provision for employees benefits	1,556.58	(94.87)	(163.32)	1,298.39
Provision for doubtful debts and advances	99.60	7.35	-	106.95
Provision for regulatory matters	532.58	19.99	-	552.57
Others	392.95	(145.79)	-	247.16
	<b>2,581.71</b>	<b>(213.32)</b>	<b>(163.32)</b>	<b>2,205.07</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment and Intangible assets	3,994.10	147.44	-	4,141.54
	<b>3,994.10</b>	<b>147.44</b>	<b>-</b>	<b>4,141.54</b>
<b>Net deferred tax liabilities</b>	<b>1,412.39</b>	<b>360.76</b>	<b>163.32</b>	<b>1,936.47</b>

	Opening balance as on 1 April 2019	Recognised in statement of profit & loss	Recognised in OCI	Closing balance as on 31 March 2020
<b>2019-2020</b>				
<b>Deferred tax assets</b>				
Provision for employees benefits	1,298.39	(449.55)	306.74	1,155.58
Provision for doubtful debts and advances	106.95	(43.48)	-	63.47
Provision for regulatory matters	552.57	(257.04)	-	295.53
Others	247.16	(55.20)	-	191.96
	<b>2,205.07</b>	<b>(805.27)</b>	<b>306.74</b>	<b>1,706.54</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment and Intangible assets on account of difference in Written Down Value(WDV)	4,141.54	(1,721.28)	-	2,420.26
	<b>4,141.54</b>	<b>(1,721.28)</b>	<b>-</b>	<b>2,420.26</b>
<b>Net deferred tax liabilities</b>	<b>1,936.47</b>	<b>(916.02)</b>	<b>(306.74)</b>	<b>713.72</b>

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**16. Borrowings (short term)**

	As at 31 March 2020	As at 31 March 2019
<b>Secured</b>		
Cash credit facilities from banks (refer note (a))	-	1.45
	-	<b>1.45</b>
<b>Unsecured</b>		
Inter-corporate deposit from related party (refer note (b) below and also refer note no 38)	-	<b>6,660.00</b>
	-	<b>6,660.00</b>
	-	<b>6,661.45</b>

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 bank, Yes Bank, Kotak Mahindra Bank, State Bank of India and Deutsche Bank.

ii. Cash credit facilities carries interest rate range of 9 % to 11 % p.a.

Note (b): As on 31 March 2020 there are no inter-corporate depositing. Inter corporate deposits outstanding as on 31 March 2019 were payable on demand and carried interest at 8.50%p.a.

**17. Trade payables**

	As at 31 March 2020	As at 31 March 2019
Dues of micro enterprises and small enterprises(refer note no 43 for details of dues to micro and small enterprises)	<b>911.89</b>	<b>2,050.15</b>
Dues of creditors other than micro enterprises and small enterprises (including acceptances)	<b>18,838.03</b>	<b>16,292.75</b>
	<b>19,749.92</b>	<b>18,342.90</b>

Refer note no 38 for related party balances.

**17A. Lease liabilities**

	As at 31 March 2020		As at 31 March 2019	
	Non current	Current	Non current	Current
Lease liabilities	7.60	139.58	-	-

## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 18. Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Payables to capital creditors	286.05	349.57
Deposits from dealers	422.48	452.98
Interest accrued on borrowings	24.51	0.00
Interest accrued on inter corporate deposits	-	41.18
Interest accrued on security deposits	54.36	94.35
	<b>787.40</b>	<b>938.08</b>

### 19. Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Advance from customers	161.23	119.51
Statutory liabilities	649.28	1,670.23
Other current liabilities	3.93	17.74
	<b>814.44</b>	<b>1,807.48</b>

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**20. Revenue from operations**

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Revenue from operations</b>		
Sale of goods	1,03,498.30	1,27,872.95
Other operating revenue		
Job work income	1,386.73	1,514.89
Export incentives	355.36	599.76
Scrap sales	1,398.83	1,910.30
<b>Revenue from operations</b>	<b>1,06,639.22</b>	<b>1,31,897.90</b>

**21. Other income**

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on		
Fixed deposits with banks	59.36	34.03
Others	69.18	55.21
Management support income	631.24	645.82
"Dividend income on		
Investment in subsidiaries	318.75	311.10
Commission income	449.02	479.27
Foreign exchange fluctuation (net)	113.54	-
Excess liabilities written back	443.45	522.70
Miscellaneous income	391.51	801.21
	<b>2,476.05</b>	<b>2,849.34</b>

**22. Cost of material consumed**

	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock	1,810.54	2,333.32
Add: Purchases	34,189.01	45,398.22
Less: Closing Stock	(2,052.25)	(1,810.54)
Raw material consumption	<b>33,947.30</b>	<b>45,921.00</b>

**23. Purchases of stock-in-trade**

	Year ended 31 March 2019	Year ended 31 March 2018
Purchases of stock-in-trade	1,580.42	1,451.74
	<b>1,580.42</b>	<b>1,451.74</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 24. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Opening stock</b>		
Work-in-progress	5,940.99	6,138.17
Finished products	10,144.85	7,203.02
Trading goods	13.57	17.06
Reusable scrap	142.79	50.36
	<b>16,242.20</b>	<b>13,408.61</b>
<b>Less: Closing stock</b>		
Work-in-progress	5,525.75	5,940.99
Finished products	8,556.81	10,144.85
Trading goods	15.00	13.57
Reusable scrap	-	142.79
	<b>14,097.56</b>	<b>16,242.20</b>
	<b>2,144.64</b>	<b>(2,833.59)</b>

### 25. Employee benefit expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	23,972.78	24,752.43
Contribution to provident and other funds	1,492.00	1,386.95
Gratuity expense (refer note no. 40)	657.42	677.12
Staff welfare expenses	2,385.32	2,940.66
	<b>28,507.52</b>	<b>29,757.16</b>

### 26. Finance cost

	Year ended 31 March 2020	Year ended 31 March 2019
Interest		
-to banks	82.63	134.25
-to others*	399.37	740.05
	<b>482.00</b>	<b>874.30</b>

\* including interest on inter company deposits (refer note 38)

### 27. Depreciation and amortisation expense (refer Note no. 3 and 3A)

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipments	8,638.85	8,127.86
Depreciation of Right of use assets	223.30	-
Amortisation of intangible assets	0.60	23.47
	<b>8,862.75</b>	<b>8,151.33</b>

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**28. Other expenses**

	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spares	9,915.83	13,716.81
Sub-contracting expenses	1,495.28	1,823.62
Power and fuel	7,086.24	8,735.19
Freight and forwarding charges	1,147.37	1,613.84
Rent (refer note no.39)	99.28	306.86
Rates and taxes	242.69	189.76
Insurance	162.68	214.77
Repairs and maintenance		
Plant and machinery	481.25	558.12
Buildings	147.75	221.77
Others	618.42	955.03
Selling, administration and distribution expense	347.57	582.10
Management support charges (refer note no.45)	2,654.11	3,211.68
Royalty and trade-mark license fees	2,004.26	2,541.63
Provision for warranties (net of reversals)	43.18	-
Travelling and conveyance	494.80	603.12
Communication costs	90.71	95.15
Corporate social responsibility expense (refer note no.48)	252.21	212.71
Printing and stationery	71.79	96.05
Legal and professional fees	939.83	1,028.11
Auditors remuneration (Refer details below)*	62.00	50.50
Foreign exchange fluctuation (net)	-	209.89
Bad debts / advances written off	41.81	31.91
Provision for doubtful debts and advances	-	76.66
Loss on sale of fixed assets (net)	170.26	70.71
Environmental maintenance and remediation	190.15	137.08
Bank charges	59.04	71.30
Miscellaneous expenses	1,462.16	1,228.16
	<b>30,280.67</b>	<b>38,582.53</b>

**\*Auditors remuneration (excluding applicable taxes)**

-Statutory audit fee	25.00	25.00
-Limited reviews	27.00	18.00
-Tax audit fee	2.50	1.50
-Others	7.50	6.00
	<b>62.00</b>	<b>50.50</b>

**29. Earnings per share**

	Year ended 31 March 2020	Year ended 31 March 2019
Profit for the year as per Statement of Profit and Loss	<b>2,983.66</b>	8,250.85
Weighted average number of equity shares in calculating basic and diluted EPS	<b>5,56,32,130</b>	5,56,32,130
Nominal value of shares (Rs.)	<b>10.00</b>	10.00
Earning per share - basic and diluted	<b>5.36</b>	14.83

## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 30. Tax expense

	Year Ended 31 March 2020	Year Ended 31 March 2019
Current tax	1,138.03	4,174.00
Prior period tax expenses	104.30	57.16
Deferred tax	(916.02)	360.76
	<b>326.31</b>	<b>4,591.92</b>

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.168% and the reported tax expense in profit or loss are as follows:

<b>Accounting profit before income tax</b>	<b>3,309.97</b>	<b>12,842.77</b>
At country's statutory income tax rate of 25.168% (31 March 2019: 34.944%)	<b>833.05</b>	4,487.78
Tax effect on exempt income (dividend)	<b>(80.22)</b>	<b>(108.71)</b>
<b>Tax effect on permanent non deductible expenses :</b>		
Effect of change in tax rate (refer note below)	<b>(541.75)</b>	-
Expenses allowance for which was done in earlier years	<b>(101.84)</b>	-
Expenses disallowed under Income tax act, 1961	<b>68.97</b>	104.01
Disallowed expense under Rule 14A of Income tax act	<b>13.00</b>	1.79
Tax related to earlier years	<b>104.30</b>	57.16
Others	<b>30.80</b>	49.89
	<b>326.31</b>	<b>4,591.92</b>
<b>Tax rate</b>		
Base rate	<b>22.000%</b>	30.000%
Surcharge	<b>2.200%</b>	3.600%
Education cess	<b>0.968%</b>	1.344%
Total	<b>25.168%</b>	<b>34.944%</b>

Note: The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act 1961 as introduced by the Taxation Laws (amendment) ordinance, 2019. Accordingly, the Company has recognised the tax provision for the year ended 31 March 2020 and re-measured the deferred tax assets/liabilities on the basis of the rates prescribed in that section. The full impact of this change has been recognised in the Statement of Profit and Loss.

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**31 Fair value disclosures**
**i) Fair values hierarchy**

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

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

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

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

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

**(iii) Fair value of instruments measured at amortised cost**

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

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

**32 Financial risk management**
**i) Financial instruments by category**

Particulars	As at 31 March 2020			As at 31 March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments*	**	-	6.94	**	-	6.94
Loans	-	-	1,350.09	-	-	1,318.91
Trade receivables	-	-	18,370.23	-	-	22,883.99
Cash and cash equivalents	-	-	2,869.92	-	-	942.21
Other bank balances	-	-	2,000.00	-	-	-
Other financial assets	-	-	1,615.91	-	-	1,847.47
<b>Total</b>	-	-	<b>26,213.09</b>	-	-	<b>26,999.52</b>
<b>Financial liabilities</b>						
Borrowings (including interest accrued on borrowings )	-	-	24.51	-	-	6,702.63
Trade payable	-	-	19,749.92	-	-	18,342.90
Lease Liabilities	-	-	147.18	-	-	-
Other financial liabilities (excluding interest accrued on borrowings )	-	-	762.89	-	-	896.90
<b>Total</b>	-	-	<b>20,684.50</b>	-	-	<b>25,942.43</b>

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

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



## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### ii) Risk Management

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

#### A) Credit risk

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

- cash and cash equivalents,
- trade receivables,
- loans & receivables measured at amortised cost, and
- deposits with banks"

#### a) Credit risk management

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

A: Low

B: Medium

C: High

#### Assets under credit risk –

Credit rating	Particulars	As at	As at
		31 March 2020	31 March 2019
A: Low	Cash and cash equivalents	2,869.92	942.21
	Other financial assets	1,615.91	1,847.47
	Trade receivables (gross of expected credit loss)	18,446.40	23,002.76
	Loan	1,350.09	1,318.91
C: High	Trade receivables	172.07	166.83

#### Cash and cash equivalents & Bank deposit

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

#### Trade Receivables

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

#### Other finance assets measured at amortised cost

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

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**b) Expected credit losses**

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

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	>365 Days	0 - 365 Days	>365 Days	0 - 365 Days
Gross amount of trade receivables where no default (as defined above) has occurred	172.07	18,446.40	166.83	23,002.77
Expected loss rate (in %)	100%	0.41%	100%	0.52%
Expected credit loss( loss allowance provision)	172.07	76.17	166.83	118.77

**Reconciliation of loss provision – lifetime expected credit losses**

Reconciliation of loss allowance	Trade receivable
<b>Loss allowance on 31 March 2018</b>	<b>211.93</b>
Impairment loss recognised during the year	73.67
Amounts written off	-
<b>Loss allowance on 31 March 2019</b>	<b>285.60</b>
Impairment loss recognised/reversed during the year	(37.36)
Amounts written off	-
<b>Loss allowance as on 31 March 2020</b>	<b>248.24</b>

**B) Liquidity risk**

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

**Maturities of financial liabilities**

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

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

31 March 2020	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payable	19,749.92	-	-	-	19,749.92
Lease liabilities	139.58	7.60	-	-	147.18
Other financial liabilities	787.40	-	-	-	787.40
<b>Total</b>	<b>20,676.90</b>	<b>7.60</b>	-	-	<b>20,684.50</b>

31 March 2019	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Short term borrowings	6,702.63	-	-	-	6,702.63
Trade payable	18,342.90	-	-	-	18,342.90
Other financial liabilities	896.90	-	-	-	896.90
<b>Total</b>	<b>25,942.43</b>	-	-	-	<b>25,942.43</b>

### C) Market Risk

#### a) Foreign currency risk

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

#### (i) Foreign currency risk exposure:

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

	FC	As at 31 March 2020	As at 31 March 2019
<b>Financial liabilities</b>			
<b>Creditors</b>			
	USD	829.44	386.85
	EUR	1,170.52	718.29
	GBP	542.64	263.65
	JPY	17.75	96.06
	SEK	8.38	5.81
	CHF	-	0.14
	SGD	0.34	-
		<b>2,569.07</b>	<b>1,470.80</b>
<b>Financial assets</b>			
<b>Debtors</b>			
	USD	3,122.00	2,694.10
	EUR	156.86	355.41
		<b>3,278.86</b>	<b>3,049.51</b>
<b>Net exposure to foreign currency risk (assets)</b>		<b>709.79</b>	<b>1,578.71</b>

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**Sensitivity**

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

Particulars	As at 31 March 2020	As at 31 March 2019
<b>USD sensitivity</b>		
INR/USD- increase by 500 bp (31 March 2019 500 bp)*	114.63	115.36
INR/USD- decrease by 500 bp (31 March 2019 500 bp)*	(114.63)	(115.36)
<b>EUR sensitivity</b>		
INR/EUR- increase by 500 bp (31 March 2019 500 bp)*	(50.68)	(18.14)
INR/EUR- decrease by 500 bp (31 March 2019 500 bp)*	50.68	18.14
<b>GBP sensitivity</b>		
INR/GBP- increase by 500 bp (31 March 2019 500 bp)*	(27.13)	(13.18)
INR/GBP- decrease by 500 bp (31 March 2019 500 bp)*	27.13	13.18
<b>JPY sensitivity</b>		
INR/JPY- increase by 500 bp (31 March 2019 500 bp)*	(0.89)	(4.80)
INR/JPY- decrease by 500 bp (31 March 2019 500 bp)*	0.89	4.80
<b>SEK sensitivity</b>		
INR/SEK- increase by 500 bp (31 March 2019 500 bp)*	(0.42)	(0.29)
INR/SEK- decrease by 500 bp (31 March 2019 500 bp)*	0.42	0.29
<b>CHF sensitivity</b>		
INR/CHF- increase by 500 bp (31 March 2019 500 bp)*	-	(0.01)
INR/CHF- decrease by 500 bp (31 March 2019 500 bp)*	-	0.01
<b>SGD sensitivity</b>		
INR/SGD- increase by 500 bp (31 March 2019 500 bp)*	(0.02)	-
INR/SGD- decrease by 500 bp (31 March 2019 500 bp)*	0.02	-

\* Holding all other variables constant

**b) Interest rate risk**
**i) Liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2020, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits pay fixed interest rates.

**Interest rate risk exposure**

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

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowing	-	1.45
Fixed rate borrowing	-	6,701.18
<b>Total borrowings</b>	<b>-</b>	<b>6,702.63</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### Sensitivity

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

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Interest sensitivity*</b>		
Interest rates – increase by 50 bp basis points	-	(0.01)
Interest rates – decrease by 50 bp basis points	-	0.01

\* Holding all other variables constant

### ii) Assets

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

### c) Price risk

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

## 33 Capital management

The Company's capital management objectives are

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

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
Total debt	-	6,702.63
Less: Cash and bank balances	2,869.92	942.21
Net debt	(2,869.92)	5,760.43
Total equity (as shown on the face of balance sheet)	75,412.38	73,340.76
<b>Net debt to equity ratio (in %)</b>	<b>0.00%</b>	<b>7.28%</b>

Note: Debt to equity ratio has been shown as Nil as the calculated amount depicts a negative balance.

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

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**34. Capital commitments**

	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment (net of advances paid)	1,174.64	1,907.46
	<b>1,174.64</b>	<b>1,907.46</b>

**35. Assets pledged as security**

The carrying amounts of assets pledged as security for borrowings are:

	As at 31 March 2020	As at 31 March 2019
<b>Current assets</b>		
Inventories, cash and cash equivalents and trade receivables	39,683.55	44,495.98
<b>Total current assets pledged as security</b>	<b>39,683.55</b>	<b>44,495.98</b>

**36 Segment information**

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

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

Revenue from one customer amounts to Rs.10,986.76 lacs (previous year Rs.13,665.98 lacs). No other single customer represents 10% or more to the revenue of the Company for financial year ended 31 March 2020 and 31 March 2019.

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

Particulars	31 March 2020 Year ended	31 March 2019 Year ended
India	93,267.66	1,16,325.18
Other countries	10,230.64	11,547.77
	<b>1,03,498.30</b>	<b>1,27,872.95</b>

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

Particulars	31 March 2020 Year ended	31 March 2019 Year ended
India	14,900.56	19,557.66
Other countries	3,469.67	3,326.33
	<b>18,370.23</b>	<b>22,883.99</b>

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 37. Contingent liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
<b>(i) Excise duty</b>		
(a) Cases decided in the Company's favour by Appellate authorities department has filed further appeal and show cause notices/ orders on the same issues for other periods	-	73.13
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	16.43	16.43
(c) Show cause notices on issues yet to be adjudicated	910.78	282.45
<b>Total</b>	<b>927.21</b>	<b>372.01</b>
<b>(ii) Service tax</b>		
(a) Cases decided in the Company's favour by Appellate authorities department has filed further appeal and show cause notices/ orders on the same issues for other periods	-	48.53
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	524.01	617.86
<b>Total</b>	<b>524.01</b>	<b>666.39</b>
<b>(iii) Sales tax</b>		
(a) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	750.08	4,368.83
<b>Total</b>	<b>750.08</b>	<b>4,368.83</b>
<b>(iv) Income tax</b>		
(a) Cases decided in the Company's favour by Appellate authorities department has filed further appeal and show cause notices/ orders on the same issues for other periods	449.02	834.92
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	2,922.82	1,654.82
(c) Show cause notices on issues yet to be adjudicated	28.55	83.42
<b>Total</b>	<b>3,400.39</b>	<b>2,573.16</b>
<b>(v) Others</b>		
(a) Employee related cases	146.01	268.96
(b) Electricity demand	-	52.24
<b>Total</b>	<b>146.01</b>	<b>321.20</b>

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**38. Related Party Transactions**

(i) In accordance with the requirement of Indian Accounting Standard (Ind AS - 24) on related party disclosures where control exist and description of the relationship are as follows:

**(a) Name of Parties where control exists**

- i) Holding Company- Federal Mogul Holdings Limited (Mauritius)
- ii) Subsidiary- Federal-Mogul TPR (India) Limited
- iii) Ultimate Holding Company- Tenneco Inc, USA (refer note no. 12)

**(b) Key managerial personnel**

- Mr. Vinod Kumar Hans, Whole Time Managing Director
- Mr. Manish Chadha, Chief Finance Officer & Finance Director
- Mr. Rajesh Sinha, Additional Director
- Dr. Khalid Iqbal Khan, Whole Time Director- Legal and Company Secretary
- Mr. Krishnamurthy Naga Subramaniam, Non-executive Director
- Mr. Mukul Gupta, Non-executive Director (Till 12 Feb. 2020)
- Mr. Sundarshan Kanakku Chembakaraman Pillai, Non-executive Director
- Mr. Mahendra Kumar Goyal, Non-executive Director (Till 31 Oct. 2019)
- Ms. Nalini Jolly (From 13 Aug. 2019)

**(c) Fellow and step fellow subsidiaries**

- Federal Mogul Burscheid GMBH, Germany
- Federal Mogul Nurnberg, GMBH (Germany)
- Federal Mogul Holding Deutschland (Germany)
- Federal Mogul Limited (U.K.)
- Federal Mogul Financial Services FRANCTNL (France)
- Federal Mogul Gorzyce, S.A. (Poland)
- Federal Mogul Friedberg, GMBH (Germany)
- Federal Mogul Sintered Products Limited. (U.K.)
- Federal Mogul Friction Products Limited (Thailand)
- Federal Mogul Thailand Manufacturina Ayutthaya, (Thailand)"
- Federal Mogul France, S.A. (France)
- Federal Mogul Corporation, Garennes (France)
- Federal Mogul (Shanghai)
- Federal Mogul Friction Products Limited.
- Federal Mogul Worldwide Aftermarket
- Federal Mogul Sistemas Brazil
- Federal Mogul Dongsuh Piston Co. Limited. (China)
- Federal Mogul Bradford Limited.
- Federal Mogul Powertrain Spara, MII
- Federal Mogul KK Yokohama
- Federal Mogul Powertrain Inc, Southbend
- Federal Mogul Chasseneuil
- Federal Mogul Motorparts LLC
- Federal Mogul Naberezhnye Chelny
- Federal Mogul S De RI De Cv
- Federal Mogul Kontich
- Federal Mogul Anand Bearings India Limited (India)
- Federal-Mogul Ignition Products India Limited (India)
- Federal-Mogul Powertrain Solutions India Private Limited (India)
- Federal Mogul Anand Sealing India Limited (India)
- Motocare India Private Limited (India)
- Federal-Mogul Motorparts India Limited (India)
- Tenneco Clean Air India Private Limited



## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

(ii) Those transactions along with related balances as at 31 March 2020 and 31 March 2019 are presented in the following table:

Particulars	Ultimate Holding Company Tennoco Inc. (USA)	
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
Sales	-	-
Purchase of raw material	-	-
Expenses incurred on Company's behalf	-	-
Expenses incurred by Company	<b>73.10</b>	224.89
Balance outstanding as at the end of the year (payables)	<b>(69.14)</b>	(3.62)
Balance outstanding as at the end of the year receivables	-	-

Particulars	Fellow Subsidiaries							
	Federal-Mogul Bradford Limited (Germany)		Federal-Mogul Burscheid GMBH, (Germany)		Federal-Mogul Gorzeye S.A (Poland)		Federal Mogul Motorparts LLC (China)	
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
Sales	-	-	-	-	-	-	<b>3,960.29</b>	5,361.16
Purchase of raw material	<b>678.21</b>	361.90	<b>374.72</b>	503.60	-	8.87	-	-
Purchase of fixed assets	-	-	<b>462.88</b>	1,825.41	-	323.92	-	-
Interest Expenses	-	-	-	-	-	-	-	-
Expenses incurred on Company's behalf	-	-	<b>107.83</b>	14.93	-	-	-	-
Expenses incurred by Company	-	-	<b>3.06</b>	(0.74)	-	-	-	-
Service Income	-	-	-	-	-	-	-	-
Royalty Expenses	-	-	<b>706.56</b>	958.32	-	-	-	-
Balance outstanding as at the end of the year (payables)	<b>(354.82)</b>	(101.11)	<b>(630.40)</b>	(467.83)	-	-	<b>(20.47)</b>	(18.72)
Balance outstanding as at the end of the year receivables	-	-	<b>9.55</b>	-	-	-	<b>2,000.89</b>	1,730.58

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*

Particulars	Fellow Subsidiaries							
	Federal-Mogul Nurnberg, GMBH (Germany)		Federal-Mogul Thailand Manufacturina Ayutthaya (Thailand)		Federal-Mogul Holding Deutschland (Germany)		Federal-Mogul Naberezhnye Chelny	
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
Sales	<b>23.23</b>	2.15	<b>837.30</b>	102.21	-	-	538.03	453.60
Purchase of raw material	<b>94.74</b>	91.46	-	-	-	-	-	-
Purchase / (Sale) of Fixed Assets	<b>23.25</b>	337.32	-	-	-	-	-	-
Interest Expenses	-	-	-	-	-	-	-	-
Management Support charges	-	-	-	-	<b>2,308.50</b>	3,211.68	-	-
Expenses incurred on Company's behalf	-	-	-	-	-	-	-	-
Expenses incurred by Company	-	-	-	-	-	-	-	-
Royalty Expense	<b>866.22</b>	1,062.86	-	-	-	-	-	-
Balance outstanding as at the end of the year (payable)	<b>(464.77)</b>	(305.22)	-	-	-	-	-	-
Balance outstanding as at the end of the year receivables	<b>17.79</b>	1.29	<b>73.68</b>	99.44	<b>349.40</b>	1,122.61	<b>94.51</b>	20.04

## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Fellow Subsidiaries									
	Federal Mogul S De RI De Cv		Federal-Mogul Sintered Products Limited, (U.K)		Federal-Mogul Friedberg GMBH		Federal-Mogul Ltd-UK		Other fellow subsidiaries	
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
Sales	16.27	-	-	-	-	148.82	-	-	0.41	40.42
Purchase of raw material	-	-	333.40	375.12	131.56	238.82	-	-	167.91	15.17
Purchase / (Sale) of Fixed Assets	-	142.51	28.96	33.02	-	-	-	-	-	-
Trade Mark & license fees	-	-	-	-	-	-	141.95	190.26	-	-
Management Support charges paid	-	-	-	-	-	-	-	-	-	-
Expenses incurred on Company's behalf	-	-	-	-	-	-	-	-	-	-
Expenses incurred by Company	0.89	-	-	-	-	-	-	-	-	6.88
Royalty Expense	-	-	264.32	255.40	-	-	-	-	-	-
Balance outstanding as at the end of the year (payable)	(1.21)	-	(292.74)	(270.77)	(58.34)	(40.06)	-	(38.71)	(34.74)	7.24
Balance outstanding as at the end of the year receivables	17.06	-	-	-	-	141.61	-	-	(37.67)	(11.90)



## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Subsidiary Federal-Mogul TPR India Limited	
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
Sales	<b>956.50</b>	1,181.73
Purchase of raw material	<b>5,255.07</b>	5,703.32
Dividend received	<b>318.75</b>	311.10
Management support charges	<b>631.24</b>	645.82
Job work income	<b>1,386.73</b>	1,514.89
Rent income	<b>99.08</b>	99.08
Sole selling commission	<b>449.02</b>	479.27
Inter-corporate deposit (ICD) Taken	<b>1,300.00</b>	-
Inter-corporate deposit (ICD) re paid	<b>5,660.00</b>	-
Interest on ICD	<b>146.36</b>	370.60
Loan Outstanding	-	4,360.00
Interest (payable) / receivable	-	(28.33)
Balance outstanding as at the end of the year (payable)	<b>(1,604.63)</b>	(1,532.74)



## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 39 Operating lease

#### a) Assets taken on lease

##### i) Right of use assets

The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

<b>Total operating lease commitments disclosed as at 31 March 2019</b>	<b>320.35</b>
<b>Recognition exemptions:</b>	
Variable lease payments not recognised	15.51
Other adjustments relating to lease commitment disclosures	47.26
<b>Operating lease liabilities before discounting</b>	<b>383.12</b>
Discounting impact (using incremental borrowing rate)	(25.83)
<b>Operating lease liabilities</b>	<b>357.29</b>
Finance lease obligations under Ind AS 17	-
<b>Total lease liabilities recognised under Ind AS 116 at 1 April 2019</b>	<b>357.29</b>

#### Following are the changes in the carrying value of right of use for the year ended 31 March 2020

Particulars	Category of ROU asset			Total
	Leasehold land	Buildings	Office Equipment	
<b>Gross carrying value</b>				
As at 01 April 2019	362.87	-	-	362.87
Additions / transfers	-	348.90	8.39	357.29
Disposals	-	-	-	-
<b>As at 31 March 2020</b>	<b>362.87</b>	<b>348.90</b>	<b>8.39</b>	<b>720.16</b>
<b>Accumulated depreciation</b>				
As at 01 April 2019	12.84	-	-	12.84
Depreciation charge for the year	4.28	216.43	2.59	223.30
Disposals	-	-	-	-
<b>As at 31 March 2020</b>	<b>17.12</b>	<b>216.43</b>	<b>2.59</b>	<b>236.14</b>
Net carrying value				
<b>As at 31 March 2020</b>	<b>345.75</b>	<b>132.47</b>	<b>5.80</b>	<b>484.02</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

#### The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2020

Particulars	As at 31 March 2020
Non-current lease liabilities	7.60
Current lease liabilities	139.58
	<b>147.18</b>

#### The following is the movement in lease liabilities for the year ended 31 March 2020

Particulars	As at 31 March 2020"
As at 01 April 2019	357.29
Additions	-
Finance cost accrued during the year	20.87
Deletions	-
Payment of lease liabilities	(230.98)
	<b>147.18</b>

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

Particulars	As at 31 March 2020
Less than one year	143.69
One to five years	8.46
More than five years	-

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

The company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**The following are the amounts recognised in profit or loss:**

Particulars	Year ended 31 March 2020
Depreciation expense of right-of-use assets	223.30
Interest expense on lease liabilities	20.87
Expense relating to short term leases ( included in other Exps.)	99.28
	<b>343.45</b>

**(ii) Lease related disclosures**

- A The Company has leases for Land and buildings and Office equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its Land and buildings and Office equipment.
- B Total cash outflow for leases for the year ended 31 March 2020 was Rs.230.98 lacs.
- C The company has short term lease agreements in which there are no lock in periods. The disclosure requirement related to total commitment of short term leases is thus not applicable to the company.
- D Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Land	2	75 Years	75 Years	1	-	1
Buildings	4	6-17 months	11 months	4	-	4
Office Equipment	1	27 months	27 months	1	-	1

- E There are no leases which are yet to commence as on 31 March 2020.
- F Impact on transition
- Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of Rs. 357.29 lacs and corresponding right of use asset of Rs. 357.29 lacs.
  - The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.
  - Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.
  - On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense over the remaining lease term.
  - On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 8.25%

**b) Assets given under operating lease**

- Uncollectible minimum lease payments receivable at the Balance sheet date
- Future minimum lease payments receivable:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a. Not later than one year	99.08	99.08
b. Later than one year and not later than five years	173.39	272.47
c. Later than five years	-	-



## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 40 Employee benefit obligations

#### Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services, gets a gratuity on departure at 15 days basic salary (last drawn) for each completed year of service on terms not less favourable than the provisions of the payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The following tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

#### Disclosure of gratuity

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

Description	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	467.35	444.48
Interest cost	674.72	651.75
Expected Return on plan assets	(484.65)	(419.11)
<b>Amount recognised in the statement of profit and loss</b>	<b>657.42</b>	<b>677.12</b>

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

Actuarial (gain) on obligations arising from changes in demographic adjustments	(23.70)	-
Actuarial (gain) on obligations arising from changes in experience adjustments	909.32	(230.59)
Actuarial (gain) on obligations arising from changes in financial assumptions	353.13	(225.33)
<b>Remeasurements of the post employment defined benefit plans (gain)</b>	<b>1,238.75</b>	<b>(455.92)</b>
Return on plan assets (greater)/ less than discount rate	(19.97)	(11.52)
<b>Remeasurements of the post employment defined benefit plans (gain) recognised in OCI</b>	<b>1,218.78</b>	<b>(467.44)</b>

#### (iii) Movement in the liability recognised in the balance sheet is as under:

Description	Year ended 31 March 2020	Year ended 31 March 2019
Present value of defined benefit obligation as at the beginning of the year	9,165.93	9,567.91
Current service cost	467.35	444.48
Interest cost	674.72	651.75
Remeasurements of the post employment defined benefit plans (gain)	1,238.75	(455.92)
Benefits paid from the fund	(1,074.03)	(1,042.29)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>10,472.72</b>	<b>9,165.93</b>

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

Fair Value of plan assets at beginning of year	6,626.10	5,702.18
Expected Return on plan assets	484.64	419.11
Contributions by employer	1,100.00	1,535.58
Benefits paid	(1,074.03)	(1,042.29)
Remeasurements of the post employment defined benefit plans loss/(gain)	19.97	11.52
<b>Fair Value of plan Assets at the end of the year</b>	<b>7,156.68</b>	<b>6,626.10</b>

Description	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation	10,472.72	9,165.93
Fair valuation of plan assets	7,156.68	6,626.10
	<b>3,316.04</b>	<b>2,539.83</b>

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**(v) Plan (assets)/ liability**

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

Description	Year ended 31 March 2020	Year ended 31 March 2019
Insurance company products	95.50%	96.20%
Equity shares	3.50%	3.00%
Bonds (including accrued interest)	0.00%	0.41%
Cash	1.00%	0.40%

**(vi) Actuarial assumptions**

Description	As at 31 March 2020	As at 31 March 2019
Discount rate	6.60% p.a.	7.30% p.a.
Normal retirement age*	58 years	58 years
Employee turnover#	1% - 7%p.a.	5.00% p.a.
Expected rate of return on Plan Assets	6.60% p.a.	7.30% p.a.
Salary increase rate#	3% - 8%p.a.	7.00% 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.

# Rate of employee turnover and salary increase depends upon various factors namely nature of employee, location etc.

**(vii) A quantitative sensitivity analysis for significant assumptions as on 31st March 2019:**

Description	As at 31 March 2020	As at 31 March 2019
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	10,472.72	9,165.93
- Impact due to increase of 0.50 %	10,172.94	8,934.06
- Impact due to decrease of 0.50 %	10,789.04	9,409.41
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	10,472.72	9,165.93
- Impact due to increase of 0.50 %	10,758.46	9,383.50
- Impact due to decrease of 0.50 %	10,197.76	8,954.18

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

The following payouts are expected in future years:

Description	As at 31 March 2020
Year ended 31 March 2021	1,106.23
Year ended 31 March 2022	975.70
Year ended 31 March 2023	1,417.57
Year ended 31 March 2024	1,345.11
Year ended 31 March 2025	1,583.33
Year ended 31 March 2026 and above	7,694.25

## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 41 Disclosure under section 186(4) of the Companies act, 2013

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Investments</b>		
Federal-Mogul TPR (India) Limited		
Investments at the beginning of the year	510.00	510.00
<b>Investments at the end of the year</b>	<b>510.00</b>	<b>510.00</b>

### 42 Revenue related disclosures

#### a) Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

The Company has applied Ind AS 115 prospectively from 1 April 2018 and the adoption of this standard did not have a material impact on the financial statements of the Company.

#### b) Disaggregation of revenue

Revenue recognised mainly comprises of sale of products which majorly comprises of piston, piston rings and other auto components. Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
<b>Rs. in lacs</b>		
<b>Revenue from contracts with customers</b>		
Sale of products		
Domestic	93,267.66	116,934.31
Export	10,230.64	10,938.64
Other operating income	3,140.92	4,024.95
<b>Total revenue covered under Ind AS 115</b>	<b>1,06,639.22</b>	<b>131,897.90</b>

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**c Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Contract assets</b>		
Unbilled revenue	-	154.70
<b>Total contract assets</b>	-	<b>154.70</b>

**Contract liabilities**

Advances from consumers	161.23	119.51
Security deposits received from customers	422.48	452.98
<b>Total contract liabilities</b>	<b>583.71</b>	<b>572.49</b>

**Receivables**

Trade receivables	18,618.47	23,169.59
Less : Allowances for expected credit loss	(248.24)	(285.60)
<b>Net receivables</b>	<b>18,370.23</b>	<b>22,883.99</b>

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

**d Significant changes in the contract assets and the contract liabilities balances during the year are as follows:**

Particulars	As at 31 March 2020		
	Contract Assets	Contract Liabilities	
	Unbilled revenue	Advances from consumers	Security deposits received from customers
<b>Opening balance</b>	154.70	119.51	452.98
Addition during the year	-	5,343.53	44.92
Revenue recognised during the year/ amount refunded during the year	(154.70)	(5,301.81)	(75.42)
<b>Closing balance</b>	-	<b>161.23</b>	<b>422.48</b>

Particulars	As at 31 March 2019		
	Contract Assets	Contract Liabilities	
	Unbilled revenue	Advances from consumers	Security deposits received from customers
<b>Opening balance</b>	-	267.30	471.19
Addition during the year	154.70	5,597.29	72.69
Revenue recognised during the year/ amount refunded during the year	-	(5,745.08)	(90.90)
<b>Closing balance</b>	<b>154.70</b>	<b>119.51</b>	<b>452.98</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### e Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily its products under arrangements in which the transfer of control of the products and the fulfilment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognized when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods. Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

### f Payment terms

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

### g Variable considerations associated with such sales

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

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
a The principal amount remaining unpaid as at the end of year	911.89	2,050.15
b Interest due on above principal and remaining unpaid as at the end of the year	0.05	1.22
c The amount of interest paid by the buyer in terms of section 16, of the micro, small and medium enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
d The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under micro, small and medium enterprise development Act, 2006.	16.72	17.80
e The amount of interest accrued and remaining unpaid at the end of each accounting year; and	16.77	19.02
f The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	16.77	19.02

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**44. Provision for regulatory matters**

The Company is continuously evaluating processes for regulatory matters at its factories based on more accurate evidences available, a provision, towards costs to be incurred to remediate these matters, of Rs.212.95 lacs is included under Note no.14 for provisions which are net of amounts utilized of Rs.121.83 lacs during the year towards remediation.

In addition to the above, the provision for regulatory matters includes a provision of Rs.1,304.13 lacs towards certain other regulatory matters.

The Company is actively seeking to resolve these actual and potential statutory, taxation, regulatory and contractual obligations. In accordance with requirements of Indian Accounting Standard (Ind AS) 37 on 'Provisions, Contingent liability and Contingent assets' issued by the Institute of Chartered Accountants of India, although difficult to quantify based on the complexity of the issues, the Company has accrued amounts corresponding to its best estimate of the costs associated with such regulatory and contractual obligations on the basis of available information and best professional judgment of experts appointed for this exercise.

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

**45. Management support charges**

"During the financial year 2019-20, the company has paid the Management Support charges under Cost Allocation Agreement with Federal Mogul Holding Deutschland GmbH to Rs. 2,654.11 lacs (Previous year 2018-19 Rs.3,211.68 lacs).

These charges are availment of centralised services pertaining to all the products of the company and, inter-alia, include Technical Support, Operations Management, Applications Engineering, Global Executive Management Services, Purchasing, Key Accounts Sales Management. This charge is based on actual services received by the company on cost basis without any mark up and is at an arm's length basis."

**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.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 47 Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Short term borrowings*	Interest
Opening Balance 1 April 2018	6,661.61	90.25
<b>Non cash changes due to</b>		
- Interest expense #		874.30
<b>Cash flows during the year due to</b>		
- Movement in short term borrowings during the year	(1.62)	-
- Payment of interest	-	(829.02)
<b>Closing Balance as on 31 March 2019</b>	<b>6,660.00</b>	<b>135.53</b>
<b>Non cash changes due to</b>		
- Interest expense	-	461.13
<b>Cash flows during the year due to</b>		
- Movement in short term borrowings during the year	(6,660.00)	-
- Payment of interest	-	(517.79)
<b>Closing Balance as on 31 March 2020</b>	<b>-</b>	<b>78.87</b>

\* Excluding cash credit facilities from bank which has been considered as part of cash and cash equivalents as per requirement of Ind AS - 7 (Statement of Cash Flows)

# Interest expense is adjusted by Rs. 20.87 lacs related to interest on Right of use liabilities as per IndAS 116 "Leases"

### 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. 250.86 lacs (previous year Rs. 212.34 lacs)

b) Amount spent during the year on-

Particulars	Year ended 31 March 2020			Year ended 31 March 2019		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
a. Education related expenses	142.25	-	142.25	134.49	-	134.49
b. Health related expenses	2.20	-	2.20	3.57	-	3.57
c. Social activities	96.68	-	96.68	68.30	-	68.30
d. Others	11.08	-	11.08	6.36	-	6.36
	<b>252.21</b>	<b>-</b>	<b>252.21</b>	<b>212.71</b>	<b>-</b>	<b>212.71</b>

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

49. COVID-19 continues to spread across the globe including India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. In view of the highly uncertain economic environment, the extent to which the COVID-19 pandemic will impact the business of the Company depends upon future developments that cannot be predicted reliably at this stage. However, based on the preliminary estimates, the Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines, the Company has now resumed its operations, partially. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. The Company will continue to closely monitor any material changes arising due to the impact of this pandemic/future economic conditions impacting the financial and operational performance of the Company and take necessary measures to address the situation

**For Walker Chandiook & Co. LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

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

**Anamitra Das**

Partner

Membership No.: 062191

**Vinod Kumar Hans**

Whole Time Managing Director

DIN : 03328309

**Manish Chadha**

Chief Finance Officer & Finance Director

DIN : 07195652

Place: Gurugram

Date: 26<sup>th</sup> June 2020

**Khalid Iqbal Khan**

Whole Time Director - Legal & Company Secretary

DIN : 05253556





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### DIRECTORS' REPORT

Dear Member(s),

Your Directors are pleased to present the 23<sup>rd</sup> Annual Report and Audited Financial Statement of Accounts for the financial year ending 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019
Gross Sales	9,499.83	10,685.03
Less: Excise duty	-	-
Income from operations	9,499.83	10,685.03
Other income	481.81	481.41
<b>Total Income</b>	<b>9,981.64</b>	<b>11,166.44</b>
<b>Operating profit before finance charges, depreciation and exceptional item</b>	<b>2,195.14</b>	<b>2,763.74</b>
Finance Charges	24.44	9.01
Depreciation	500.13	425.53
Exceptional items	-	-
<b>Net Profit before tax</b>	<b>1,670.57</b>	<b>2,329.20</b>
Provision for the Taxation :		
Current Tax	458.49	684.40
Tax earlier year	-	-
Less: Deferred Tax	(57.48)	(5.21)
<b>Profit after tax</b>	<b>1,269.56</b>	<b>1,650.01</b>
Other comprehensive income (net of taxes)	3.62	(9.70)
<b>Total Comprehensive Income</b>	<b>1,265.94</b>	<b>1,659.71</b>
Profit brought forward from last year	9,670.08	8,745.76
<b>Net profit available for appropriation</b>	<b>10,936.02</b>	<b>10,405.47</b>
<b>Appropriation:</b>		
Transfer to general reserve	-	-
Dividend:		
Equity Shares	(625.00)	(610.00)
Tax and Cess on dividend - equity	(128.47)	(125.39)
<b>Surplus / (loss) carried forward to Balance sheet</b>	<b>10,182.55</b>	<b>9,670.08</b>

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

The Net income of the Company during the financial year ended 31<sup>st</sup> March, 2020 was Rs. 9,981.64 lakhs as against Rs. 11,166.44 Lakh for the financial year ended 31<sup>st</sup> March, 2019.

During the year under review, the Company made a net profit after tax of Rs. 1,269.56 Lakhs for the financial year ended 31<sup>st</sup> March, 2020 as against the net profit after tax of Rs. 1,650.01 Lakhs for the financial year ended 31<sup>st</sup> March, 2019.

No amount is proposed to be transferred to the general reserves. The Company proposed a dividend of Rs. 580 lakhs for the financial year ended 31<sup>st</sup> March, 2020.

### SECRETARIAL AUDITORS

The Company has appointed M/s Deepika Gera, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the Financial Year ended 31<sup>st</sup> March, 2020. 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-A to this report. The Board has reappointed M/s Deepika Gera, Company Secretaries, New Delhi, as Secretarial Auditor of the Company for the FY 2020-21.

### MATERIAL CHANGES AND COMMITMENTS

Due to the outbreak of COVID-19, the Company had shut down its plant situated at Bangalore including its offices in the concerned States with effect from 23<sup>rd</sup> March, 2020 in compliance with the respective State Government directions/ notifications. Subsequently, the plant began to operate partially in the month of May, 2020 by adhering to the directions, guidelines and permissions issued by the appropriate Government Authorities with respect to COVID-19.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

No other 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 seven (7) directors viz Mr. Vinod Kumar Hans, Chairman and Non-Executive Director; Dr. Khalid Iqbal Khan, Non-Executive Director; Mr. Rajesh Sinha, Non-Executive Director; Mr. Krishnamurthy Naga Subramaniam, Non-Executive Independent Director; Mr. Manish Chadha, Non-Executive Director & Chief Financial Officer; Mr. Toshiaki Imai, Whole-time Director and Mr. Takehiko Karasawa, Non-Executive Director. Mr. Abhishek Nagar, 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 Article 71 of the Articles of Association of the Company, Mr. Takehiko Karasawa and Dr. Khalid Iqbal Khan, Directors of the Company, are liable to retire by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Brief resume, nature of expertise, details of directorships held in other companies excluding foreign companies of the Directors proposed to be appointed / re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2, is appended as an Annexure to the Notice of the ensuing AGM.

None of the Director(s) is/are disqualified under Section 164(2) of the Companies Act, 2013.

#### B) Changes in Directors and Key Managerial Personnel

During the year under review, there was no change in the Board of directors of the Company. Mr. Krishnamurthy Naga Subramaniam was re-appointed as Independent Director for a second term with effect from 29th March, 2020, subject to approval of the shareholders at the ensuing AGM of the Company. The tenure of Mr. Toshiaki Imai as Whole-time Director was due to expire on 28th June, 2020 and accordingly, in the Board Meeting held on 25th June, 2020, he was re-appointed as Whole-time Director for a further period of 3 (three) years with effect from 29th June, 2020, subject to approval of the shareholders.

Mr. Anand Kumar Sahoo resigned from the position of the Company Secretary with effect from 22nd August, 2019 and was replaced by Mr. Abhishek Nagar as the Company Secretary of the Company with effect from 3rd September, 2019 by the Board of Directors.

Further, Mr. Kapil Arora, the Manager of the Company who was appointed by the Company with effect from 19th April, 2017 for a term of 3 (three) years and has, thus, ceased from his position upon expiration of his tenure.

### MEETINGS OF THE BOARD OF DIRECTORS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year 04 (Four) 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 2019-20 are given below:

Date of the meeting	Total strength of the Board	No. of Directors Present
28th May, 2019	07	04
03rd September, 2019	07	07
05th November, 2019	07	05*
12th February, 2020	07	07**

\*Includes presence of Mr. Takehiko Karasawa, Director, who attended the meeting through audio visual means

\*\* Includes presence of Mr. Takehiko Karasawa, Mr. Rajesh Sinha and Mr. Toshiaki Imai, Directors, who attended the meeting through audio visual means

### COMMITTEES OF THE BOARD

The Company has Corporate Social Responsibility (CSR) Committee constituted by the Board. The Company has adopted a well-defined Policy on CSR on the recommendations of CSR Committee as per the requirement of Section 135 of the Companies Act, 2013. Presently, the Committee comprises the following members:

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. Takehiko Karasawa	Member

During the year, the Committee met on 28<sup>th</sup> May, 2019.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2020 and of the profit and loss of the Company for the financial year ended 31st March 2020;
- (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.

**DIVIDEND**

For the financial year ended 31st March 2020, the Board has recommended a dividend @ Rs.5.80/- (Rupees Five and Eighty paise only) per Equity Shares, aggregating to Rs. 580 lakhs.

**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 as **Annexure -B**, 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.

**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 thereunder, please refer Note no. 9 forming the part of financial statements.

**RELATED PARTY TRANSACTIONS**

During the financial year 2019-20, 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. Hence Form AOC-2 is not applicable.

**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 -C** 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 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               | : | Chairperson |
| 2) Dr. Khalid Iqbal Khan              | : | Member      |
| 3) Mr. Krishnamurthy Naga Subramaniam | : | Member      |
| 4) Mr. Takehiko Karasawa              | : | Member      |



## FEDERAL-MOGUL TPR (INDIA) LIMITED

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 2019-20 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 are attached herewith as **Annexure- C** to this Report.

In accordance with the provisions of Section 135 of the Companies Act 2013, the Board has approved Rs. 42,78,997/- lakhs for spending on CSR activities during the financial year 2020-21.

### **SUBSIDIARY AND ASSOCIATE COMPANY**

The Company has no subsidiary and associate Company.

### **PUBLIC DEPOSITS**

As at 31st March, 2020, 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 Board oversees 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 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.

### **SECRETARIAL STANDARDS**

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

### **AUDITORS**

#### **Statutory Auditors & Auditors' Report**

At the 20<sup>th</sup> AGM of the Company, M/s. Walker Chandio & Co., LLP, Chartered Accountants (Firm Registration No. 001076N/ N500013), New Delhi were appointed as the Statutory Auditors' as per Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, to hold office till the conclusion of the 25<sup>th</sup> AGM of the Company to be held in the calendar year 2022.

The Company has received written consent and a certificate from the Auditors to such effect in accordance with Section 141 read with rule 4 of the Companies (Audit & Auditors) Rules, 2014 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 has approved the appointment of M/s. KPMG, Chartered Accountants as the Internal Auditors, for the financial year ending March 31, 2021.

#### **Cost Auditors**

The Board has approved the appointment of M/s. Sanjay Gupta Associates, Cost Accountant as Cost Auditor, for the financial year ending March 31, 2021. The Cost Auditors will submit their report for the financial year ending 2019-20 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 Annual General Meeting.

**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 and an Internal Complaints Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under the policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20.

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

**Federal-Mogul TPR (India) Limited**

**(Vinod Kumar Hans)**

Chairman & Director

DIN: 03328309

Date: 25<sup>th</sup> June, 2020

Place: Gurugram



## FEDERAL-MOGUL TPR (INDIA) LIMITED

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

#### FOR THE FINANCIAL YEAR ENDED 31st March, 2020

[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 TPR (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 TPR (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 Company's 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 the financial year ended on 31st March, 2020 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, 2020 according to the provisions of, as amended from time to time:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Applicable only to the extent of Foreign Direct Investment/Overseas Direct Investment);
- (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 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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 (Share Based Employee Benefits) Regulations, 2014– Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines/regulations during the year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the year under review;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company is not a listed Company;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) by The Institute of Company Secretaries of India.

During the period under review the Company has declared dividend of Rs. 6.25/- (Rupees Six and Twenty-five paisa only) per equity share of Rs. 10/- each for the financial year 2018-19 to its shareholders. In this regard, the Company has complied with the applicable provisions of the Companies Act and rules made thereunder.



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

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

**We further report that:**

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

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

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

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

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

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

**For DEEPIKA GERA, COMPANY SECRETARIES**

**DEEPIKA GERA**

**FCS No. 3531**

**C P No : 7487**

**UDIN NO. 003531B000318111**

Date: 4<sup>th</sup> June, 2020  
Place: New Delhi

*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.*



## FEDERAL-MOGUL TPR (INDIA) LIMITED

Annexure B

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2020

[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:

<b>CIN</b>	U34300DL1997PLC087410
<b>Registration Date</b>	21 <sup>st</sup> May, 1997
<b>Name of the Company</b>	Federal-Mogul TPR (India) Limited
<b>Category / Sub-Category of the Company</b>	Company limited by shares
<b>Address of the Registered office and contact details</b>	<b>Registered Office:</b> DLF Prime Towers, 10 Ground Floor, F-79 & 80, Okhla Phase - I, New Delhi – 110020 <b>Contact details:</b> Ph. No.: +91 124 4784530; +91 11 4905 7597
<b>Whether listed company</b>	No
<b>Name, Address and Contact details of Registrar and Transfer Agent</b>	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	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
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	-	-	-	-	-	-	-	-	-
<b>Sub - total (A)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	4900000	4900000	49.00	-	4900000	4900000	49.00	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	-	10000000	10000000	100.00	-	10000000	10000000	100.00	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	10000000	10000000	100.00	-	10000000	10000000	100.00	-
<b>B. Public Shareholding</b>									
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)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	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	900000	9.00	-	900000	9.00	-	-
3 TPR Co. Ltd.	4000000	40.00	-	4000000	40.00	-	-
<b>Total</b>	<b>10000000</b>	<b>100.00</b>	-	<b>10000000</b>	<b>100.00</b>	-	-

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

Sl. Name of the No. 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. <b>Federal-Mogul Goetze (India) Limited</b> 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	51.00	5100000	51.00
	Nil	Nil	Nil	Nil
	5100000	51.00	5100000	51.00
2. <b>Federal-Mogul UK Investments Limited</b> At the beginning of the year Transfer of shares to TPR Co. Ltd. on 02 <sup>nd</sup> September, 2016 At the End of the year	900000	9.00	900000	9.00
	Nil	Nil	Nil	Nil
	900000	9.00	900000	9.00
3. <b>TPR Co. Ltd.</b> At the beginning of the year Transfer of shares from Federal-Mogul UK Investments Ltd. on 02 <sup>nd</sup> September, 2016 At the End of the year	4000000	40.00	4000000	40.00
	Nil	Nil	Nil	Nil
	4000000	40.00	4000000	40.00

### (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
1.	Nil	Nil	Nil	Nil	Nil

**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
<b>Mr. Vinod Kumar Hans (Chairman &amp; Director)</b> - Jointly with Federal-Mogul (India) Limited At the beginning of the year Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year	20 equity shares	negligible	20 equity shares	negligible
	20 equity shares	negligible	20 equity shares	negligible
<b>Dr. Khalid Iqbal Khan (Director)</b> - Jointly with Federal-Mogul (India) Limited At the beginning of the year Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year	10 equity shares	negligible	10 equity shares	negligible
	10 equity shares	negligible	10 equity shares	negligible
<b>Mr. Manish Chadha (CFO &amp; Director)</b> - Jointly with Federal-Mogul (India) Limited At the beginning of the year Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year	10 equity shares	negligible	10 equity shares	negligible
	10 equity shares	negligible	10 equity shares	negligible

Note: Mr. K.N. Subramaniam, Mr. Rajesh Sinha, Mr. Takehiko Karasawa, Mr. Toshiaki Imai, Mr. Kapil Arora Mr. Anand Kumar Sahoo (until 22nd August, 2019) and Mr. Abhishek Nagar (w.e.f. 3rd Sept, 2019) did not hold any shares during the year 2019-20.

**V. INDEBTEDNESS**

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

	(Rs. in Lakhs)			
	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
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	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
<b>Total (i+ii+iii)</b>	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 Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	
		Kapil Arora (Manager)	Toshiaki Imai (WTD)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	30.30	68.44
2	Stock Option	0.77	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, (Commission)	1.34 Nil	Nil Nil
5	Others, (Company's contribution to PF)	Nil	Nil
	<b>Total (A)</b>	<b>32.41</b>	<b>68.44</b>
	<b>Ceiling as per the Act:</b> (Being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

#### B. Remuneration to other directors:

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors Krishnamurthy Naga Subramaniam					Total
	<b>For Independent Directors</b>						
	Fee for attending Board / Committee meetings			3.75			3.75
	Commission			Nil			-
	Others, please specify			Nil			-
	Total (1)			3.75			3.75
	<b>Other Non-Executive Directors</b>	<b>Vinod Kumar Hans</b>	<b>Mr. Takehiko Karasawa</b>	<b>Khalid Iqbq Khan</b>	<b>Rajesh Sinha</b>	<b>Manish Chadha</b>	
	Fee for attending Board / Committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total B (1+2)	Nil	Nil	Nil	Nil	Nil	Nil
	*Total Managerial Remuneration (A+B)	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Overall Ceiling as per the Act:</b> (Being 11% of the net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

Notes:

1. \*\*Total remuneration to Managing Director, Whole time Director, Manager & Directors and other Directors (being the total of A and B)

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

(Rs in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel Mr. Abhishek Nagar* (Company Secretary)	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	16.92	11.09
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 Nil	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- as % of profit	Nil	Nil
	- others, specify	Nil	Nil
5.	Others, please specify (Company's contribution to PF)	0.75	0.42
	<b>Total</b>	<b>17.67</b>	<b>11.51</b>

\* for the period from 2nd September, 2019 to 31st March, 2020

\*\* for the period from 1st April, 2019 to 22nd August, 2019

**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

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

**(Vinod Kumar Hans)  
Chairman & Director  
DIN: 03328309**

Date: 25<sup>th</sup> June, 2020  
Place: Gurugram



**DETAILS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**A. Conservation of energy:**

**a. The following energy conservation measures were taken:**

- Energy Audits are conducted across the facility and identified Higher Capacity motors and devices drawing higher energy are being replaced with latest higher energy efficient motors.
- The facility is upgraded to the latest technology of LED lighting system.
- Energy Efficient Compressors are in use.
- Overall improvement of Power factor by adding capacitor banks (Target of 0.99)
- The machines being sent for refurbishment are being checked for its energy consuming patterns and accordingly the devices are replaced with latest technology, hence the consumption of electricity reduces during the lifetime of the machine in manufacturing process.
- Adequate planning of production to be in line with the specific power consumption required for generation of product.
- Energy saving logic+A5s are introduced in machines, which switches off the hydraulics or the machines during the idle times.
- Variable frequency drives are installed to higher capacity motors to reduce energy.
- Adequate maintenance to avoid leaks of compressed air.
- Temperature cutoff to all the Surface Treatment Baths to avoid overheating and consumption of electricity.

**b. The steps taken by the company for Utilising alternate sources of energy:**

- The facility uses 90% of Wheeling Energy (Wind/Solar Energy) thus in order to reduce GHG gases.
- Maximum usage of natural roof Lighting in the shop floor.

**c. The capital investment on energy conservation equipments: INR 10,00,000 per annum**

**B. Technology absorption**

**i) Efforts made towards technology absorption:**

- a) Energy Audits by CII federation duly projects technology absorption by the Company that has led to new revolution in Energy reduction programs.
- b) Introduction of PNG gas for Nitriding Furnace. Hence reducing the risk of explosive hazard arising out of LPG.
- c) Installation of Physical Vapour Deposition of chrome (PVD) Furnace.

**ii. benefits derived like product improvement, cost reduction, product development or import substitution:**

- a) energy savings due to the relay outing and machineries upgradation.
- b) Increased durability of the Product due to Chrome plating on Steel Rings by adoption of PVD technology.
- c) Cost savings by Reuse process of used oil into process without affecting the quality of product.
- d) Reuse of the PVD Hard chrome back to foundry process, without disposing.

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

- (a) Details of Technology imported: PVD Furnace;
- (b) Year of import: 2018
- (c) Whether the technology been fully absorbed: Yes
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Nil

**iv. Expenditure incurred on Research & Development (R & D):**

Capital :	Nil
Recurring :	Nil
Total :	Nil
Total R & D Expenditure as a percentage of total turnover:	Nil

**B. FOREIGN EXCHANGE EARNINGS & OUTGO**

1. Exports: Nil
2. Foreign exchange earned: Rs. Nil
3. Foreign exchange utilized: Rs.137.53 Lakhs

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES FOR THE FINANCIAL YEAR 2019-20****1. A brief outline of the Company’s CSR policy, including overview of the projects or programs undertaken and proposed to be undertaken**

We believe we must live up to our responsibilities, honour our commitments and be accountable to those we serve and to the communities in which we operate. The bond between community and business is symbiotic and mutually advantageous; one cannot exist effectively without the other. We are driven to strengthen that relationship through our responsible management approach to the benefit of all of our stakeholders. We also want to have a positive impact locally – making connections with those in every city where we have employees and operations – and giving back in meaningful ways based on local needs.

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** – The biggest challenge that the Industry is facing today is the availability of trained and skilled Manpower. Industries see this as a major bottleneck in their expansion plans. They also face challenges to maintain the desired output and quality due to lack of availability of skilled manpower. We plan to launch series of programmes to provide technical and vocational training with an ultimate aim of creating world class skilled work force and making the potential employees ‘Job Ready’ before they embark upon their professional career.
- **Women Empowerment** – 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 Company's location, within a radius of 15- 30 Km.

**2. Composition of the CSR Committee:**

Mr. Vinod Kumar Hans	: Chairman
Dr. Khalid Iqbal Khan	: Member
Mr. K.N. Subramaniam	: Member
Mr. Takehiko Karasawa	: Member

**3. Average net profit of the Company for the last three financial years: Rs. 2251 Lakhs****4. Prescribed CSR Expenditure (two percent, of the amount as in item 3 above): Rs. 45.01 Lakhs****5. Details of CSR spent during the financial year:**

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

Amounts in INR in Lakhs						
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 through implementing agency
1	Education to Under-privileged children	Promotion of Education	Gurgaon	17.90	45.12	Agency- Pragati
2.	Tree Planation drive	Environment Protection	Bangalore	2.67		Agency – Manav Charities
3.	Rejuvenation of Lake at Yelahanka	Environment Protection	Bangalore	22.07		Agency – Manav Charities



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						Rs. Lakhs
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
4.	Provision made for ongoing project at Remand Home and Silai Centre	Employment Enhancing Vocational Skills	Bangalore	2.48		Agency- Manav Charities
	<b>Total</b>			<b>45.12</b>	<b>45.12</b>	

### 6. Details of implementing Agencies are as under :-

- **Pragati**, is an NGO that 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 improve students' learning. It is working in this filed since 2004.
- **Manav Charities**, a vibrant charitable NGO started in 1999 and working towards economic, social and educational development and upliftment of people in Karnataka and other parts of the country. It is registered under Karnataka Societies Act, 1960, having its office at #66, 14th Main, Kammagondanahalli, Jalahalli West, Bangalore-560015. It is confirmed that during the financial year, the implementation and monitoring of CSR policy, was in compliances with CSR objectives and policy of the Company.

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

Date: 25<sup>th</sup> June, 2020  
Place: Gurugram

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





**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.



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### 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 Audit of the Financial Statements

#### Opinion

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 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

4. We draw attention to Note 42 of the accompanying financial statements, which describes the uncertainties due to the outbreak of Covid-19 pandemic and the management's evaluation of the impact on the financial statements of the Company as at the balance sheet date. Our opinion is not modified in respect of this matter.

#### Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial

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

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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



## FEDERAL-MOGUL TPR (INDIA) LIMITED

could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation,

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

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

### Report on Other Legal and Regulatory Requirements

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

13. 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.

14. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, 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 accompanying financial statements;
- 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 Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of

section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 25 June 2020 as per Annexure B expressed an unmodified opinion; and

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

- i. the Company, as detailed in note 28 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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

**Anamitra Das**  
Partner  
Membership No.:062191  
Place: Gurugram  
Date:25<sup>th</sup> June 2020

**Annexure A 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 2020****Annexure A**

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

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, intangible assets and right of use assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of loan. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Amount paid under Protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994 Service tax	Service tax	29.84	15.50	2007-2008	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 Service tax	Service tax	56.50	-	2010-2011	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 Service tax	Service tax	73.77	-	2006-2009	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 Service tax	Service tax	76.30	7.64	2011-2012	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 Service tax	Service tax	135.15	2.98	2008-2010	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 Service tax	Service tax	233.38	17.50	2010-2013	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 Service tax	Service tax	43.30	7.58	2013-2014	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 Service tax	Service tax	47.73	8.35	2014-2015	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994 Service tax	Service tax	51.85	3.89	2014-2016	Central Excise and Service Tax Appellate Tribunal



## FEDERAL-MOGUL TPR (INDIA) LIMITED

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Amount paid under Protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994 Service tax	Service tax	42.98	3.22	2015-2017	Commissioner of Central Excise
Finance Act, 1994 Service tax	Service tax	76.74	5.76	2016-2018	Commissioner of Central Excise

- (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) Managerial remuneration has been paid by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Walker Chandiok & Co LLP**

Chartered Accountants

**Firm's Registration No.: 001076N/N500013**

**Anamitra Das**

Partner

**Membership No.: 062191**

Place : Gurugram

Date : 25<sup>th</sup> June 2020

**Annexure B 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 2020****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 at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance 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 the Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by The Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

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



## FEDERAL-MOGUL TPR (INDIA) LIMITED

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### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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 issued by the ICAI.

### For Walker Chandiok & Co LLP

Chartered Accountants

**Firm's Registration No.: 001076N/N500013**

### Anamitra Das

Partner

Membership No.: 062191

Place: Gurugram

Date: 25<sup>th</sup> June 2020





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Federal-Mogul TPR (India) Limited Balance Sheet as at 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,392.35	3,773.48
Capital work-in-progress	3	632.88	23.00
Right of use assets	3	234.88	-
Current tax assets (net)	4	189.09	112.37
Other non-current assets	5	76.65	83.64
		<b>4,525.85</b>	<b>3,992.49</b>
<b>Current assets</b>			
Inventories	6	1,078.57	1,100.69
Financial assets			
- Trade receivables	7	2,851.48	2,426.33
- Cash and cash equivalents	8	6,036.34	179.94
- Other bank balances	8	1,500.00	2,365.63
- Loans	9	-	4,388.33
- Other financial assets	10	71.33	32.41
Other current assets	5	156.41	104.42
		<b>11,694.13</b>	<b>10,597.75</b>
<b>TOTAL ASSETS</b>		<b>16,219.98</b>	<b>14,590.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	1,000.00	1,000.00
Other equity	12	12,477.55	11,965.08
		<b>13,477.55</b>	<b>12,965.08</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Lease liabilities	15A	161.32	-
Provisions	13	148.20	119.34
Deferred tax liabilities (net)	14	223.85	282.55
		<b>533.37</b>	<b>401.89</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Trade payables			
- total outstanding dues of micro enterprises and small enterprises	15	39.46	83.04
- total outstanding dues of creditors other than micro enterprises and small enterprises	15	1,571.73	984.83
- Lease liabilities	15A	82.66	-
Other financial liabilities	16	396.80	-
Other current liabilities	17	109.11	147.45
Provisions	13	9.30	7.95
		<b>2,209.06</b>	<b>1,223.27</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,219.98</b>	<b>14,590.24</b>

The above balance sheet should be read in conjunction with the accompanying notes

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

For **Walker Chandiok & Co LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

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

Place: Gurugram  
Date: 25<sup>th</sup> June 2020

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

**Vinod Kumar Hans**  
Director  
DIN-03328309

**Abhishek Nagar**  
Company Secretary  
Membership No.: F9029

**Dr. Khalid Iqbal Khan**  
Director  
DIN-05253556

**Manish Chadha**  
Chief Finance Officer  
DIN :07195652



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Federal-Mogul TPR (India) Limited Statement of Profit and Loss for the year ended 31 March 2020 (All amounts in Rs. lacs, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>INCOME</b>			
Revenue from operations	18	<b>9,499.83</b>	10,685.03
Other income	19	<b>481.81</b>	481.41
<b>Total income</b>		<b>9,981.64</b>	<b>11,166.44</b>
<b>Expenses</b>			
Cost of materials consumed	20	<b>2,743.23</b>	3,038.29
Changes in inventories of finished goods and work-in-progress	21	<b>8.62</b>	(19.22)
Employee benefits expense	22	<b>820.54</b>	844.60
Finance cost	23	<b>24.44</b>	9.01
Depreciation expense	3	<b>500.13</b>	425.53
Other expenses	24	<b>4,214.11</b>	4,539.03
<b>Total expenses</b>		<b>8,311.07</b>	<b>8,837.24</b>
<b>Profit before tax</b>		<b>1,670.57</b>	<b>2,329.20</b>
<b>Tax expense</b>			
Current tax	25	<b>458.49</b>	684.40
Deferred tax expense	14	<b>(57.48)</b>	(5.21)
Total tax expense		<b>401.01</b>	679.19
<b>Profit for the year</b>		<b>1,269.56</b>	<b>1,650.01</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
A. Remeasurements of the post employment defined benefit plans		<b>4.84</b>	(13.68)
B. Income tax relating to items that will not be reclassified to profit or loss		(1.22)	<b>3.98</b>
<b>Total other comprehensive (income) / loss</b>		<b>3.62</b>	<b>(9.70)</b>
<b>Total Comprehensive Income</b>		<b>1,265.94</b>	<b>1,659.71</b>
Earnings per equity share (of Rs 10 each)	26		
Basic (Rs)		<b>12.70</b>	16.50
Diluted (Rs)		<b>12.70</b>	16.50

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

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

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

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

**Vinod Kumar Hans**  
Director  
DIN-03328309

**Dr. Khalid Iqbal Khan**  
Director  
DIN-05253556

**Manish Chadha**  
Chief Finance Officer  
DIN :07195652

Place: Gurugram  
Date: 25<sup>th</sup> June 2020

**Abhishek Nagar**  
Company Secretary  
Membership No.: F9029



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Federal-Mogul TPR (India) Limited

#### Cash flow statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

Particular	Year ended 31 March 2020	Year ended 31 March 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,670.57	2,329.20
Adjustments for:		
Depreciation expense	500.13	425.53
Interest expense	24.44	9.01
Interest income	(415.19)	(476.58)
Loss on sale of fixed assets (net)	0.26	0.42
Unrealised forex loss/(gain) (net)	27.25	(5.53)
Excess liabilities written back	(14.74)	-
Provision for doubtful debts	(33.98)	-
Bad debts written off	-	8.46
<b>Operating profit before working capital changes</b>	<b>1,758.74</b>	<b>2,290.51</b>
<b>Movement in working capital:</b>		
Decrease/(Increase) in inventories	22.12	(182.26)
(Increase)/decrease in other current and non-current financial assets	(23.07)	48.41
(Increase) in other current and non-current assets	(45.00)	(46.26)
(Increase)/decrease in trade receivables	(391.18)	43.32
Increase in current and non-current provisions	25.36	25.88
(Decrease) in other current and non-current liabilities	(38.77)	(32.51)
Increase in trade payables	530.81	370.02
Cash flow from operating activities post working capital changes	1,839.01	2,517.11
Income tax paid (net)	(535.21)	(701.47)
<b>Net cash generated from operating activities (A)</b>	<b>1,303.80</b>	<b>1,815.63</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including capital work-in-progress)	(246.87)	(66.90)
Proceeds from sale property, plant and equipment	-	17.35
Movement in Inter-corporate deposit	4,360.00	-
Interest received	427.67	498.14
Movement in other bank balances (net)	865.63	(1,766.93)
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>5,406.43</b>	<b>(1,318.34)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Lease liabilities	(99.08)	-
Finance costs	(1.28)	(7.81)
Payment of dividend	(753.47)	(735.39)
<b>Net cash used in financing activities (C)</b>	<b>(853.83)</b>	<b>(743.20)</b>
Increase / (decrease) in cash and cash equivalents (A+B+C)	5,856.40	(245.91)
Cash and cash equivalents at the beginning of the year	179.94	425.84
<b>Cash and cash equivalents at the end of the year</b>	<b>6,036.34</b>	<b>179.94</b>
<b>Cash and cash equivalents as per above comprise of the following (refer note no 8)</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
With banks - on current account	336.34	179.94
Deposits with original maturity for less than three months	5,700.00	-
	<b>6,036.34</b>	<b>179.94</b>

This is the statement of cash flow referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner  
Membership No.: 062191

Place: Gurugram  
Date: 25<sup>th</sup> June 2020

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

**Vinod Kumar Hans**

Director  
DIN-03328309

**Abhishek Nagar**

Company Secretary  
Membership No.: F9029

**Dr. Khalid Iqbal Khan**

Director  
DIN-05253556

**Manish Chadha**

Chief Finance Officer  
DIN :07195652



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Federal-Mogul TPR (India) Limited Statement of changes in Equity as at 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### A) Equity share capital

Particulars	Balance as at 01 April 2018	Change in equity share capital during the year	Balance as at 31 March 2019	Change in equity share capital during the year	Balance as at 31 March 2020
Equity share capital	1,000.00	-	1,000.00	-	1,000.00

#### B) Other equity

Particulars	Reserves and surplus			Total
	General reserve	Capital redemption reserve	Retained earnings	
<b>Balance as at 01 April 2018</b>	<b>1,295.00</b>	<b>1,000.00</b>	<b>8,745.76</b>	<b>11,040.76</b>
Additions during the year:				
Profit for the year	-	-	1,650.01	1,650.01
<b>Other Comprehensive income for the year ended</b>				
Remeasurement of defined benefit obligation gain (net of tax)	-	-	9.70	9.70
Dividend paid including dividend distribution tax (Rs. 4.90 per share excluding DDT)	-	-	(735.39)	(735.39)
<b>Balance as at 31 March 2019</b>	<b>1,295.00</b>	<b>1,000.00</b>	<b>9,670.08</b>	<b>11,965.08</b>
Additions during the year:				
Profit for the year	-	-	1,269.56	1,269.56
<b>Other Comprehensive income for the year ended</b>				
Remeasurement of defined benefit obligation gain (net of tax)	-	-	(3.62)	(3.62)
Dividend paid including dividend distribution tax (Rs. 6.25 per share excluding DDT)	-	-	(753.47)	(753.47)
<b>Balance as at 31 March 2020</b>	<b>1,295.00</b>	<b>1,000.00</b>	<b>10,182.55</b>	<b>12,477.55</b>

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

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

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

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

**Vinod Kumar Hans**  
Whole Time Managing Director  
DIN : 03328309

**Manish Chadha**  
Chief Finance Officer & Finance Director  
DIN : 07195652

Place: Gurugram  
Date: 25<sup>th</sup> June 2020

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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

*(All amounts in Rs. 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 Tenneco Inc., USA (from 01 October 2018, erstwhile parent Federal Mogul LLC, USA), manufactures steel rings used in passenger vehicles automobiles.

At the yearend, 51% of the shares of the Company are held by Federal-Mogul Goetze (India) Limited, 40% held by Teikoku Piston Ring Co. Ltd and 9% held by Federal Mogul UK Investments Limited, a group company of Tenneco Inc., USA (from 01 October 2018, erstwhile parent Federal Mogul LLC, USA).

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

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

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 25 June 2020.

**2.2 Summary of Significant Accounting Policies****a) Overall consideration**

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

*Basis of preparation*

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

**b) Current and non-current classification**

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

**c) Use of estimates**

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

**d) Property, plant and equipment***Recognition and initial measurement*

Property plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate

asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### *Subsequent measurement (depreciation and useful lives)*

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

Asset Class	Estimated useful life (in years)
Plant & Machinery	7.5 to 21 years
Computers	3 years
Furniture and fixtures	10 years
Vehicles	8 Years

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

#### *De-recognition*

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

#### **e) Intangible assets**

##### *Recognition and initial measurement*

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

##### *Subsequent measurement (amortisation)*

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

#### **f) Impairment of non-financial assets**

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

#### **g) Impairment of financial assets**

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

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

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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

*Trade receivables*

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

*Other financial assets*

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

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

**h) Financial instruments***Initial recognition and measurement*

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

**Non-derivative financial assets***Subsequent measurement*

i. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**Non-derivative financial liabilities***Subsequent measurement*

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

*De-recognition of financial liabilities*

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

*Offsetting of financial instruments*

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



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### i) Leases

##### Transition

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

Refer note 30 for details.

##### The Company as a lessee

The Company's leased asset classes primarily consist of leases for land and Building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on the remaining term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

#### j) Inventories

##### Inventories are valued as follows:

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



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

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

**k) Revenue Recognition**

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

**(i) Sale of products:**

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

*Satisfaction of performance obligations*

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

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

*Payment terms*

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

*Variable considerations associated with such sales*

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

**(ii) Interest:**

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

**l) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds

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

#### m) Foreign Currency Transactions

*Functional and presentation currency*

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

*Transactions and balances*

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

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

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

#### n) Retirement and other employee benefits

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

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

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

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

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

(iv) Superannuation Benefit

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

(v) National Pension Scheme:

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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

*(All amounts in Rs. lacs, unless otherwise stated)*

**o) 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.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

**p) 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.

**q) Provisions, contingent liabilities and contingent assets**

Provisions are recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are discounted to their present values, where the time value of money is material. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

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

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

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

Contingent liability is disclosed for:

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

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

**r) Cash and Cash Equivalents**

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



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### s) Significant management judgement in applying accounting policies and estimation uncertainty

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

##### *Significant management judgements*

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

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

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

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

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

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

##### *Significant estimates*

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

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

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

**Notes to financial statement for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**3. Property plant and equipments**

	Furniture and fittings and office equipment	Plant and machinery	Vehicles	Total	Right of use assets (ROU)	Capital work-in-progress
<b>Gross carrying amount</b>						
Opening gross carrying amount as on 1 April 2018	22.42	8,404.11	4.23	8,430.76	-	180.40
Additions / transfers	37.20	187.11	-	224.31	-	50.14
Disposals /adjustments	-	(25.66)	-	(25.66)	-	(207.54)
<b>Gross carrying amount as on 31 March 2019</b>	<b>59.62</b>	<b>8,565.56</b>	<b>4.23</b>	<b>8,629.41</b>	<b>-</b>	<b>23.00</b>
<b>Gross carrying amount</b>						
Opening gross carrying amount as on 1 April 2019	59.62	8,565.56	4.23	8,629.41	-	23.00
Additions / transfers	-	33.81	-	33.81	320.34	634.18
Disposals /adjustments	-	(5.97)	-	(5.97)	-	(24.30)
<b>Gross carrying amount as on 31 March 2020</b>	<b>59.62</b>	<b>8,593.40</b>	<b>4.23</b>	<b>8,657.25</b>	<b>320.34</b>	<b>632.88</b>
<b>Accumulated Depreciation</b>						
Opening accumulated depreciation as on 01 April 2018	11.69	4,426.05	0.55	4,438.29	-	-
Depreciation charge during the year	4.32	420.72	0.49	425.53	-	-
Disposals /adjustments	-	(7.89)	-	(7.89)	-	-
<b>Closing accumulated depreciation as on 31 March 2019</b>	<b>16.01</b>	<b>4,838.88</b>	<b>1.04</b>	<b>4,855.93</b>	<b>-</b>	<b>-</b>
<b>Accumulated Depreciation</b>						
Opening accumulated depreciation as on 01 April 2019	16.01	4,838.88	1.04	4,855.93	-	-
Depreciation charge during the year	4.76	409.91	-	414.67	85.46	-
Disposals / Adjustments	-	(5.70)	-	(5.70)	-	-
<b>Closing accumulated depreciation as on 31 March 2020</b>	<b>20.77</b>	<b>5,243.09</b>	<b>1.04</b>	<b>5,264.90</b>	<b>85.46</b>	<b>-</b>
<b>Net carrying amount as on 31 March 2019</b>	<b>43.61</b>	<b>3,726.68</b>	<b>3.19</b>	<b>3,773.48</b>	<b>-</b>	<b>23.00</b>
<b>Net carrying amount as on 31 March 2020</b>	<b>38.85</b>	<b>3,350.31</b>	<b>3.19</b>	<b>3,392.35</b>	<b>234.88</b>	<b>632.88</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### 4. Current tax assets

	As at 31 March 2020	As at 31 March 2019
<b>Current tax assets</b>		
Advance taxes paid (net of provision for tax)	189.09	112.37
	<b>189.09</b>	<b>112.37</b>

#### 5. Other assets

	As at 31 March 2020		As at 31 March 2019	
	Non current	Current	Non current	Current
Advances other than capital advance	-	138.71	-	85.73
Prepaid expenses	0.37	17.70	-	18.69
Paid to government authorities under protest	76.28	-	83.64	-
	<b>76.65</b>	<b>156.41</b>	<b>83.64</b>	<b>104.42</b>

#### 6. Inventories (Valued at lower of cost and net realisable value)

	As at 31 March 2020		As at 31 March 2019	
Raw material and components (includes stock in transit of Rs. 4.29 lacs (previous year Rs.0.84 lacs)	510.64		520.36	
Stores and spares	93.89		97.68	
Work-in-progress	231.42		262.03	
Finished goods	242.62		220.62	
	<b>1,078.57</b>		<b>1,100.69</b>	

Note : The cost of inventories recognised as an expense includes Rs. 5.26 lacs (previous year Rs. 13.12 lacs) in respect of write-downs of inventory to net realisable value. The same has been included in note 20 and 21.

#### 7. Trade receivables

	As at 31 March 2020		As at 31 March 2019	
Unsecured, considered good	2,851.48		2,431.41	
Unsecured, significant increase in credit risk	12.52		11.32	
	<b>2,864.00</b>		<b>2,442.73</b>	
Less: Allowance for expected credit loss	(12.52)		(16.40)	
	<b>2,851.48</b>		<b>2,426.33</b>	

- The credit period generally allowed on domestic sales as well as export sales varies from 30 to 60 days (excluding transit period).
- Refer note 35 for provision for doubtful debts.
- Refer note 37 for balances due from related party.

**Notes to financial statement for the year ended 31 March 2020***(All amounts in Rs. lacs, unless otherwise stated)***8. Cash and bank balances**

	<b>As at 31 March 2020</b>	As at 31 March 2019
<b>a) Cash and cash equivalents</b>		
Balances with scheduled banks: - Current accounts	<b>336.34</b>	179.94
Deposits with original maturity for less than three months	<b>5,700.00</b>	-
	<b>6,036.34</b>	<b>179.94</b>
<b>b) Other bank balances</b>		
Deposits with original maturity for more than 3 months but less than 12 months	<b>1,500.00</b>	2,365.64
	<b>1,500.00</b>	<b>2,365.63</b>

**9. Loans**

	<b>As at 31 March 2020</b>	As at 31 March 2019
Unsecured Loans to related party (refer note no 37)*	-	<b>4,360.00</b>
Interest on loan to related party	-	<b>28.33</b>
	-	<b>4,388.33</b>

\* The company does not have any loans which are either credit impaired or where there is significant increase in credit risk.

**10. Other financial assets**

	<b>As at 31 March 2020</b>	As at 31 March 2019
Other receivables	<b>36.06</b>	12.98
Interest accrued on deposits	<b>35.27</b>	19.43
	<b>71.33</b>	<b>32.41</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### 11. Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Authorized shares</b>		
10,000,000 equity shares (31 March 2019: 10,000,000 equity shares) of Rs.10/- each.	<b>1,000.00</b>	1,000.00
1,000,000 6% redeemable cumulative preference shares (31 March 2019: 1,000,000) of Rs.100/- each	<b>1,000.00</b>	1,000.00
	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
10,000,000 equity shares (31 March 2019: 10,000,000 equity shares) of Rs.10/- each.	<b>1,000.00</b>	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>

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

- i) 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.
- ii) 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) Shares held by Holding/ Ultimate Holding Company and/ or their subsidiaries/ associates

Name of the shareholder	31 March 2020 No. % holding		31 March 2019 No. % holding	
<b>Equity shares of Rs 10- fully paid</b>				
Federal-Mogul Goetze (India) Limited, India	5,100,000	51.00%	5,100,000	51.00%
Federal Mogul UK Investment Limited, UK	900,000	9.00%	900,000	9.00%





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### (d) Details of shareholders holding more than 5% shares in the company.

Name of the shareholder*	31 March 2020		31 March 2019	
	No.	% holding	No.	% holding
<b>Equity shares of Rs 10- fully paid</b>				
Federal-Mogul Goetze (India) Limited, India	5,100,000	51.00%	5,100,000	51.00%
Federal Mogul UK Investment Limited, UK	900,000	9.00%	900,000	9.00%
TPR Co. Limited, Japan	4,000,000	40.00%	4,000,000	40.00%

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

- (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 or brought back during the last five years.
- (f) Tenneco Inc., headquartered in Lake Forest, Illinois, United States of America completed the acquisition of Federal-Mogul LLC, the ultimate holding company of the Company, on October 1, 2018 and Federal-Mogul LLC was merged with Tenneco Inc.

#### 12. Other equity

	As at 31 March 2020	As at 31 March 2019
<b>General Reserve</b>		
Balance at the beginning of the year	1,295.00	1,295.00
	<b>1,295.00</b>	<b>1,295.00</b>
<b>Capital redemption reserve</b>		
Balance at the beginning of the year	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Retained earnings</b>		
Balance as at the beginning of the year	9,670.08	8,745.76
Add: Net profit for the year	1,269.56	1,650.01
<b>Items of other comprehensive income recognised directly in retained earnings:</b>		
(Less)/Add: Remeasurements of the post employment defined benefit plans gain (net of tax)	(3.62)	9.70
Less: Dividend including dividend distribution tax	(753.47)	(735.39)
	<b>10,182.55</b>	<b>9,670.08</b>
	<b>12,477.55</b>	<b>11,965.08</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### Nature and purpose of each reserve

**General reserve** - This reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

**Capital redemption reserve** - This reserve was created for redemption of preference shares in the financial year 2012. The preference shares were redeemed in the financial year 2012.

### 13. Provisions

	As at 31 March 2020		As at 31 March 2019	
	Non Current	Current	Non Current	Current
<b>Provision for employee benefits (refer Note no 39)</b>				
Provision for gratuity	119.85	3.46	95.04	5.81
Provision for compensated absences	28.35	5.84	24.30	2.14
	<b>148.20</b>	<b>9.30</b>	<b>119.34</b>	<b>7.95</b>

### 14. Deferred tax liabilities (net)

Particulars	As at 31 March 2018	Recognised in statement of profit & loss	Recognised in other comprehensive income	As at 31 March 2019	Recognised in statement of profit & loss	Recognised in other comprehensive income	As at 31 March 2020
<b>Deferred tax liabilities</b>							
On account of difference in written down value of property, plant and equipment	325.29	12.29	-	337.58	(53.21)	-	284.37
<b>Deferred tax assets</b>							
Provision for employees benefits	33.57	7.53	(3.98)	37.12	1.35	1.22	39.69
Provision for doubtful debts and advances	2.31	2.46	-	4.77	(1.62)	-	3.15
Others	5.63	7.51	-	13.14	4.54	-	17.68
<b>Total</b>	<b>283.78</b>	<b>(5.21)</b>	<b>3.98</b>	<b>282.55</b>	<b>(57.48)</b>	<b>(1.22)</b>	<b>223.85</b>

**Notes to financial statement for the year ended 31 March 2020***(All amounts in Rs. lacs, unless otherwise stated)***15. Trade payables**

Particulars	As at	As at
	31 March 2020	31 March 2019
Dues of micro and small enterprises (refer Note no 33 for details of dues to micro and small enterprises)	<b>39.46</b>	83.04
Dues of creditors other than micro and small enterprises	<b>1,571.73</b>	984.83
	<b>1,611.19</b>	<b>1,067.87</b>

1. Refer note 37 for balances due to related party.

**15A. Lease liabilities**

Particulars	As at		As at	
	31 March 2020		31 March 2019	
	Non Current	Current	Non Current	Current
Lease liabilities	161.32	82.66	-	-
	<b>161.32</b>	<b>82.66</b>	-	-

**16. Other current liabilities**

Particulars	As at	As at
	31 March 2020	31 March 2019
Payables to capital creditors	<b>396.80</b>	-
	<b>396.80</b>	-



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### 17. Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Advance from customers	4.17	10.12
Statutory liabilities	103.31	136.12
Others	1.63	1.21
	<b>109.11</b>	<b>147.45</b>

#### 18. Revenue from operations

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Sale of goods	9,490.55	10,672.34
<b>Other operating revenue</b>		
Scrap sales	9.28	12.69
<b>Revenue from operations</b>	<b>9,499.83</b>	<b>10,685.03</b>

1. Refer note no. 38 for the disclosure in relation to Ind AS 115

#### 19. Other income

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on		
Fixed deposits with banks	268.83	105.98
Others	146.36	370.60
Miscellaneous income	66.62	4.83
	<b>481.81</b>	<b>481.41</b>

#### 20. Cost of material consumed

	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock	520.36	379.82
Add: Purchases	2,733.51	3,178.83
Less: Closing Stock	(510.64)	(520.36)
Raw material consumption	<b>2,743.23</b>	<b>3,038.29</b>

**Notes to financial statement for the year ended 31 March 2020***(All amounts in Rs. lacs, unless otherwise stated)***21. Changes in inventories of finished goods and work-in-progress**

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Opening stock</b>		
Work-in-progress	262.03	306.87
Finished goods	220.63	156.56
	<u>482.66</u>	<u>463.43</u>
<b>Less: Closing stock</b>		
Work-in-progress	231.42	262.03
Finished goods	242.62	220.62
	<u>474.04</u>	<u>482.65</u>
	<u>8.62</u>	<u>(19.22)</u>

**22. Employee benefits expense**

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	763.00	786.11
Contribution to provident and other funds	35.24	36.03
Gratuity expense (refer note no. 39)	18.71	16.89
Staff welfare expenses	3.59	5.57
	<u>820.54</u>	<u>844.60</u>

**23. Finance cost**

	Year ended 31 March 2020	Year ended 31 March 2019
Interest		
-to others	24.44	9.01
	<u>24.44</u>	<u>9.01</u>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### 24. Other expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spares	956.32	1,052.70
Sub-contracting expenses	59.35	81.95
Job work expenses	1,386.73	1,514.89
Power and fuel	220.18	185.37
Freight and forwarding charges	38.50	46.31
Rent	13.00	113.63
Rates and taxes	21.97	23.99
Insurance	17.21	10.17
Repairs and maintenance		
Plant and machinery	11.59	-
Buildings	10.25	6.72
Others	18.82	1.02
Selling and distribution expense	37.05	38.42
Management support charges	631.24	645.82
Royalty and trade-mark license fees	127.46	135.76
Sole selling Commission	449.02	479.27
Product rectification charges	0.77	-
Travelling and conveyance	24.76	21.51
Corporate social responsibility expense (refer note no.32)	45.12	45.20
Printing and stationery	3.46	4.04
Legal and professional fees	70.60	76.61
Auditors remuneration (Refer details below)*	9.25	6.00
Provision for doubtful debts and advances	-	8.46
Loss on sale of fixed assets (net)	0.26	0.42
Foreign exchange fluctuation (net)	36.04	13.51
Bank charges	13.50	9.55
Miscellaneous expenses	11.66	17.71
	<b>4,214.11</b>	<b>4,539.03</b>

#### \*Auditors remuneration

- Statutory audit fee	6.25	5.25
- Tax audit fee	1.00	0.75
- Others	2.00	
	<b>9.25</b>	<b>6.00</b>

**Notes to financial statement for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**25. Tax expense**

	Year Ended 31 March 2020	Year Ended 31 March 2019
Current tax	453.65	684.40
Tax related to earlier years	4.84	-
Deferred tax	(57.48)	(5.21)
	<b>401.01</b>	<b>679.19</b>

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.17% and the reported tax expense in profit or loss are as follows:

<b>Accounting profit before income tax</b>	<b>1,670.57</b>	<b>2,329.20</b>
At country's statutory income tax rate of 25.17% (31 March 2019: 29.12%)	420.45	678.26
Effect of change in tax rate	(38.35)	-
Tax effect on permanent non deductible expenses	11.53	(7.05)
Tax related to earlier years	4.84	-
Others	2.54	7.98
	<b>401.01</b>	<b>679.19</b>
<b>Tax rate</b>		
Base rate	22.000%	25.000%
Surcharge	2.200%	3.000%
Education cess	0.968%	1.120%
<b>Total</b>	<b>25.168%</b>	<b>29.120%</b>

Note: The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act 1961 as introduced by the Taxation Laws (amendment) ordinance, 2019. Accordingly, the Company has recognised the tax provision for the year ended 31 March 2020 and re-measured the deferred tax assets/liabilities on the basis of the rates prescribed in that section. The full impact of this change has been recognised in the Statement of Profit and Loss.

**26. Earnings per share**

	Year ended 31 March 2020	Year ended 31 March 2019
Profit for the year as per Statement of Profit and Loss	1,269.56	1,650.01
Weighted average number of equity shares in calculating basic and diluted EPS	10,000,000	10,000,000
Nominal value of shares (₹)	10.00	10.00
Earning per share - basic and diluted (₹)	12.70	16.50

**27. Event occurring after the reporting period**

During the year 31 March 2020, the amount of per share dividend proposed by the Board of Directors to equity shareholders is Rs. 5.80 (31 March 2019 Rs. 6.25). The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing General meeting.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### 28. Contingent liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
<b>(i) Service tax &amp; Excise duty</b>		
(a) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	852.54	747.82
(b) Show cause notices on issues yet to be adjudicated	-	119.72
	<b>852.54</b>	<b>867.54</b>
<b>(ii) Income tax</b>		
(a) Cases pending before Appellate authorities/ Dispute resolution panel in respect of which the Company has filed appeals	-	7.73
(b) Show cause notices on issues yet to be adjudicated	9.71	11.73
	<b>9.71</b>	<b>19.46</b>

#### 29. Segment information

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Company has determined its only one business segment of manufacturing of Automotive components of four wheelers. Since the Company's business is from manufacturing of automotive components and there are no other identifiable reportable segments. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial statement. Revenue from two customers amounts to Rs. 7,670.87 Lacs (previous year Rs. 8,745.97 Lacs). No other single customer represents 10% or more to the Group revenue for financial year ended March 31, 2020 and March 31, 2019.

#### 30. Leases

##### a) Right of use assets

The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particulars	As at 31 March 2020
<b>Total operating lease commitments disclosed as at 31 March 2019</b>	<b>371.55</b>
<b>Operating lease liabilities before discounting</b>	<b>371.55</b>
Discounting impact (using incremental borrowing rate)	(51.21)
<b>Operating lease liabilities</b>	<b>320.34</b>
<b>Total lease liabilities recognised under Ind AS 116 at 1 April 2019</b>	<b>320.34</b>

Following are the changes in the carrying value of right of use for the year ended 31 March 2020

Particulars	Buildings	Total
<b>Gross carrying value</b>		
As at 01 April 2019	-	-
Additions	320.34	320.34
Disposals	-	-
<b>As at 31 March 2020</b>	<b>320.34</b>	<b>320.34</b>



**Notes to financial statement for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**Following are the changes in the carrying value of right of use for the year ended 31 March 2020**

<b>Particulars</b>	<b>Buildings</b>	<b>Total</b>
<b>Accumulated depreciation</b>		
As at 01 April 2019	-	-
Depreciation charge for the year	85.46	85.46
Disposals	-	-
<b>As at 31 March 2020</b>	<b>85.46</b>	<b>85.46</b>
Net carrying value		
<b>As at 31 March 2020</b>	<b>234.88</b>	<b>234.88</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

**The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2020**

<b>Particulars</b>	<b>As at March 2020</b>
Non-current lease liabilities	161.32
Current lease liabilities	82.66
	<b>243.98</b>

**The following is the movement in lease liabilities for the year ended 31 March 2020**

<b>Particulars</b>	<b>As at March 2020</b>
<b>As at 01 April 2019</b>	<b>320.34</b>
Additions	-
Finance cost accrued during the year	22.72
Deletions	-
Payment of lease liabilities	(99.08)
	<b>243.98</b>

**The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.**

<b>Particulars</b>	<b>As at March 2020</b>
Less than one year	99.08
One to five years	173.39
More than five years	-

The company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### The following are the amounts recognised in profit or loss:

Particulars	As at March 2020
Depreciation expense of right-of-use assets	85.46
Interest expense on lease liabilities	22.72
Expense relating to short term lease (included in other expenses)	13.00
	<b>121.18</b>

#### (ii) Lease related disclosures

- A The Company has leases for Land and buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its Land and buildings.
- B Total cash outflow for leases for the year ended 31 March 2020 was Rs. 99.08 lacs.
- C The company has short term lease agreements in which there are no lock in periods. The disclosure requirement related to total commitment of short term leases is thus not applicable to the company.
- D Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Buildings	1	33 months	33 months	1	-	1

E There are no leases which are yet to commence as on 31 March 2020.

F Impact on transition

- 1 Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of Rs. 320.34 lacs and corresponding right of use asset of Rs. 320.34 lacs.
- 2 The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.
- 3 Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.
- 4 On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense over the remaining lease term.
- 5 On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 8.25%.

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

**Notes to financial statement for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**32. Corporate Social Responsibility (CSR)**

- a) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Act is Rs. 45.01 lacs (previous year Rs. 45.17 lacs)
- b) Amount spent during the year on-

	Year ended 31 March 2020			Year ended 31 March 2019		
	In cash	yet to be paid in cash	Total	In cash	yet to be paid in cash	Total
- Educational activities	17.90	-	17.90	27.43	-	27.43
- Social activities	27.22	-	27.22	17.77	-	17.77
	45.12	-	45.12	45.20	-	45.20

**33.** 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 2020	As at 31 March 2019
a) The principal amount remaining unpaid as at the end of year	39.46	83.04
b) Interest due on above principal and remaining unpaid as at the end of the year	-	0.40
c) The amount of interest paid by the buyer in terms of section 16, of the Micro small and medium enterprise development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro small and medium enterprise development Act, 2006.	0.43	0.80
e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.43	1.20
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro small and medium enterprise development Act, 2006	0.43	1.20

**34 Fair value disclosures**
**i) Fair values hierarchy**

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

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

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

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



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### (ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

The Company does not have any financial instruments which are measured at Fair value either through statement of profit and loss or through other comprehensive income.

#### (iii) Fair value of instruments measured at amortised cost

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### 35. Financial risk management

#### i) Financial instruments by category

Particulars	Classification	As at 31 March 2020	As at 31 March 2019
<b>Financial assets</b>			
Trade receivables	Amortised Cost	2,851.48	2,426.33
Cash and cash equivalents	Amortised Cost	6,036.34	179.94
Other bank balances	Amortised Cost	1,500.00	2,385.06
Loans	Amortised Cost	-	4,388.33
Other	Amortised Cost	71.33	12.98
<b>Total</b>		<b>10,459.15</b>	<b>9,392.64</b>
<b>Financial liabilities</b>			
Trade payable	Amortised Cost	1,611.19	1067.87
Lease Liabilities	Amortised Cost	243.98	-
Other financial liabilities	Amortised Cost	396.80	-
<b>Total</b>		<b>2,251.97</b>	<b>1,067.87</b>

#### ii) Risk Management

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

#### A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables and
- deposits with banks and financial institutions.
- intercorporate deposits

#### a) Credit risk management

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

- A: Low
- B: Medium
- C: High


**Notes to financial statement for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**Assets under credit risk –**

Credit rating	Particulars	As at	As at
		31 March 2020	31 March 2019
A: Low	Other bank balances	1,500.00	2,385.06
	Cash and cash equivalents	6,036.34	179.94
	Loans	-	4,388.33
	Other financial assets	71.33	12.98
	Trade receivables	2,851.48	2,431.41
C: High	Trade receivables	12.52	11.32

**Cash & cash equivalents and bank deposits**

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

**Trade receivables**

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The trade receivables are considered of high quality and accordingly no life time expected credit losses are recognised on such receivables.

**Other financial assets measured at amortised cost**

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

**b) Expected credit losses**

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

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

Particulars	As at		As at	
	31 March 2020		31 March 2019	
	>365 Days	<= 365 Days	>365 days Days	<= 365 Days
Gross amount of trade receivables where no default (as defined above) has occurred	12.52	2,851.48	11.32	2,431.41
Expected loss rate	100%	0.00%	100%	0.21%
Expected credit loss( loss allowance provision)	12.52	0.00	11.32	5.08

**Reconciliation of loss provision – lifetime expected credit losses**

Reconciliation of loss allowance	Trade receivable
Loss allowance as on 1 April 2018	7.94
Impairment loss recognised during the year	8.46
<b>Loss allowance on 31 March 2019</b>	<b>16.40</b>
Impairment loss recognised/reversed during the year	(3.88)
<b>Loss allowance on 31 March 2020</b>	<b>12.52</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### B) Liquidity risk

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

#### Maturities of financial liabilities

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

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

31 March 2020	Less than 1 year
Trade payable	1,611.19
<b>Total</b>	<b>1,611.19</b>

31 March 2019	Less than 1 year
Trade payable	1,067.87
<b>Total</b>	<b>1,067.87</b>

#### C) Market Risk

##### a) Foreign currency risk

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

**Notes to financial statement for the year ended 31 March 2020***(All amounts in Rs. lacs, unless otherwise stated)***i) Foreign currency risk exposure:**

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

Particulars	FC	As at 31 March 2020	As at 31 March 2019
<b>Financial liabilities- Trade payable</b>			
	USD	43.16	0.47
	EUR	2.27	0.63
	JPY	492.25	119.94
	CNY	150.79	-
<b>Net exposure to foreign currency risk (liabilities)</b>		<b>688.47</b>	<b>121.04</b>

**Sensitivity**

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

Particulars	As at 31 March 2020	As at 31 March 2019
<b>USD sensitivity</b>		
INR/USD- increase by 500 bp (31 March 2019 500 bp)*	(2.16)	(0.02)
INR/USD- decrease by 500s bp (31 March 2019 500 bp)*	2.16	0.02
<b>EURO sensitivity</b>		
INR/EUR- increase by 500 bp (31 March 2019 500 bp)*	(0.11)	(0.03)
INR/EUR- decrease by 500s bp (31 March 2019 500 bp)*	0.11	0.03
<b>JPY sensitivity</b>		
INR/JPY- increase by 500 bp (31 March 2019 500 bp)*	(24.61)	(6.00)
INR/JPY- decrease by 500s bp (31 March 2019 500 bp)*	24.61	6.00
<b>CNY sensitivity</b>		
INR/CNY- increase by 500 bp (31 March 2019 500 bp)*	(7.54)	-
INR/CNY- decrease by 500s bp (31 March 2019 500 bp)*	7.54	-

*\* Holding all other variables constant*



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### b) Interest rate risk

##### i) Liabilities

The company does not have any borrowings and hence there is no interest rate risk.

##### ii) Assets

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

#### c) Price risk

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

### 36. Capital management

The Company's capital management objectives are

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

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
Total debt	-	-
Total equity	13,477.55	12,965.08
Equity ratio	100.00%	100.00%

### 37. Related party disclosures

#### Fellow and step fellow subsidiaries

Name of the Party	Nature of relationship
Tennoco Inc. (USA)	Ultimate Holding Company
Federal-Mogul Goetze (India) Limited	Holding Company
Federal Mogul UK Investments Limited	Common control with Holding Company
TPR Co. Limited Japan	Common control with Holding Company
Federal Mogul Burschied	Fellow Subsidiary
Motocare India Private Limited	Fellow Subsidiary
Mr. Vinod Kumar Hans	Director
Mr. Abhishek Nagar (From 3rd Sept., 2019)	Company Secretary
Mr. Anand Kumar Sahoo (Till 22nd Aug., 2019)	Company Secretary
Mr. Kapil Arora	Manager
Mr. Krishnamurthy Naga Subramaniam	Director
Mr. Khalid Iqbal Khan	Director
Mr. Takehiko Karasawa	Director
Mr. Manish Chadha	Director and CFO
Mr. Rajesh Sinha	Director
Mr. Toshiaki Imai	Director



## Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. 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		TPR Co. Limited Japan		Motocare India Pvi. Ltd.		Federal Mogul Burschied		TPR Co. Auto Parts Mfg India Ltd	
	31 March 2020 Year ended	31 March 2019 Year ended	31 March 2020 Year ended	31 March 2019 Year ended	31 March 2020 Year ended	31 March 2019 Year ended	31 March 2020 Year ended	31 March 2019 Year ended	31 March 2020 Year ended	31 March 2019 Year ended	31 March 2020 Year ended	
Sales	5,255.07	5,703.32	-	-	6.25	0.55	-	-	-	-	5,261.32	5,703.87
Purchase of raw material, intermediaries and finished goods	956.50	1,181.73	-	170.24	243.96	-	0.28	-	-	-	1,200.74	1,351.97
Purchase of fixed assets	-	-	-	-	146.80	-	-	-	-	-	146.80	-
Dividend Paid	318.75	311.10	56.25	244.00	250.00	-	-	-	-	-	625.00	610.00
Management support charges	631.24	645.82	-	-	-	-	-	-	-	-	631.24	645.82
Job work expenses	1,386.73	1,514.89	-	-	-	-	-	-	-	-	1,386.73	1,514.89
Sole selling commission paid	449.02	479.27	-	-	-	-	-	-	-	-	449.02	479.27
Expenses incurred on Company's behalf	-	-	-	-	-	-	11.32	-	-	-	11.32	-
Rent expense	99.08	99.08	-	-	-	-	-	-	-	-	99.08	99.08
Royalty Expense	-	-	-	-	127.46	-	-	-	-	-	127.46	135.76
Commission paid	-	-	-	-	-	-	-	-	-	13.29	13.29	-
Inter-Corporate Deposit (ICD) given	1,300.00	-	-	-	-	-	-	-	-	-	1,300.00	-
Inter-Corporate Deposit (ICD) received back	5,660.00	-	-	-	-	-	-	-	-	-	5,660.00	-
Interest on ICD	146.36	370.60	-	-	-	-	-	-	-	-	146.36	370.60
<b>Closing balance as on 31 March 2020</b>												
Inter Corporate Deposits with holding company	-	4,360.00	-	-	-	-	-	-	-	-	-	4,360.00
Interest accrued on deposits with holding company	-	28.33	-	-	-	-	-	-	-	-	-	28.33
Balance outstanding as at the end of the year Receivable/(Payable)	1,604.63	1,532.74	-	(127.43)	(253.22)	0.71	(13.78)	(0.28)	-	(2.98)	1,334.37	1,406.02

Key Managerial personnel-Remuneration*				Non-executive director	
Mr. Anand Kumar Sahoo	Mr. Kapil Arora	Mr. Abhishek Nagar	Mr. Toshiaki Imai	Mr. Krishnamurthy Naga Subramaniam	
31 March 2020 Year ended	31 March 2020 Year ended	31 March 2020 Year ended	31 March 2020 Year ended	31 March 2020 Year ended	31 March 2019 Year ended
11.51	32.41	17.67	68.44	3.75	3.75
28.01	31.50	-	51.03	-	-

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



FEDERAL-MOGUL TPR (INDIA) LIMITED



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### 38 Revenue related disclosures

##### a. Revenue from Contracts with Customers

Revenue from Contracts with Customers Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach: (i) Identify the contract(s) with customer; (ii) Identify separate performance obligations in the contract; (iii) Determine the transaction price; (iv) Allocate the transaction price to the performance obligations; and (v) Recognise revenue when a performance obligation is satisfied. The Company has applied Ind AS 115 prospectively from 1 April 2018 and the adoption of this standard did not have a material impact on the financial statements of the Company.

##### b. Disaggregation of revenue

Revenue recognised mainly comprises of sale of products which majorly comprises of piston, piston rings and other auto components. Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
<b>Revenue from contracts with customers</b>		
Sale of products	9,490.55	10,672.34
<b>Other operating income</b>	<b>9.28</b>	12.69
<b>Total revenue covered under Ind AS 115</b>	<b>9,499.83</b>	<b>10,685.03</b>

##### c. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Contract liabilities</b>		
Advances from consumers	4.17	10.12
<b>Total contract liabilities</b>	<b>4.17</b>	<b>10.12</b>
<b>Receivables</b>		
Trade receivables	2,864.00	2,442.73
Less : Allowances for expected credit loss	(12.52)	(16.40)
Net receivables	2,851.48	2,426.33

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

**Notes to financial statement for the year ended 31 March 2020***(All amounts in Rs. lacs, unless otherwise stated)***d. Significant changes in the contract assets and the contract liabilities balances during the year are as follows:**

Particulars	Year Ended	Year Ended
	31 March 2020	31 March 2019
	Contract Liabilities	Contract Liabilities
	Advances from customers	Advances from customers
<b>Opening balance</b>	<b>10.12</b>	19.72
Addition during the year	<b>1.49</b>	6.14
Revenue recognised during the year/ amount refunded/adjusted during the year	<b>(7.44)</b>	(15.74)
<b>Closing balance</b>	<b>4.17</b>	<b>10.12</b>

**e Satisfaction of performance obligations**

The Company's revenue is derived from the single performance obligation to transfer primarily its products under arrangements in which the transfer of control of the products and the fulfilment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognized when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods. Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

**f Payment terms**

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

**g Variable considerations associated with such sales**

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



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### 39. Employee benefit obligations

##### A Disclosure of gratuity

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

Description	Year Ended 31 March 2020	Year Ended 31 March 2019
Current service cost	10.89	9.97
Interest cost	7.82	6.92
<b>Amount recognised in the statement of profit and loss</b>	<b>18.71</b>	<b>16.89</b>

##### (ii) Breakup of actuarial (gain)/loss:

Actuarial (gain)/loss on arising from change in demographic assumption	(11.83)	-
Actuarial (gain)/loss on arising from change in financial assumption	(0.94)	(8.19)
Actuarial (gain)/loss on arising from experience adjustment	17.61	(5.49)
<b>Total actuarial (gain)/loss</b>	<b>4.84</b>	<b>(13.68)</b>

##### (iii) Movement in the liability recognised in the balance sheet is as under:

<b>Present value of defined benefit obligation as at the start of the year</b>	<b>100.85</b>	<b>98.09</b>
Current service cost	10.89	9.97
Interest cost	7.82	6.92
Payments made directly to employees	(1.09)	(0.45)
Actuarial loss/(gain) recognised during the year	4.84	(13.68)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>123.31</b>	<b>100.85</b>

##### (iv) Actuarial assumptions

Discount rate	7.10% p.a.	7.30% p.a.
Normal retirement age	58 years	58 years
Employee turnover	1% p.a for workers and 7% p.a thereafter	5.00% p.a
Salary Increase Rate	'For Worker: 3% for first 3 years and 7% thereafter, Others: NIL for next year and 7% thereafter.	7.50% p.a

##### (v) Sensitivity analysis for gratuity liability

Impact of the change in discount rate		
Present value of obligation at the end of the year	123.31	100.85
- Impact due to increase of 0.50 %	117.25	96.41
- Impact due to decrease of 0.50 %	129.80	105.59
Impact of the change in salary increase		
Present value of obligation at the end of the year	123.31	100.85
- Impact due to increase of 0.50 %	129.10	105.02
- Impact due to decrease of 0.50 %	117.62	96.82

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



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### The following payouts are expected in future years:

Description	As at 31 March 2020
March 31, 2021	3.46
March 31, 2022	3.42
March 31, 2023	3.86
March 31, 2024	4.12
March 31, 2025	4.38
March 31, 2026 to March 31, 2029	68.08

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

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Loans (Inter corporate deposit)</b>		
Federal-Mogul Goetze (India) Limited		
Outstanding at the beginning of the year	4,360.00	4,360.00
Given during the year	1,300.00	-
Payments received during the year	(5,660.00)	-
<b>Loans (Inter corporate deposit) at the end of the year</b>	<b>-</b>	<b>4,360.00</b>

#### 41. Capital commitments

Particulars	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment (net of advances paid)	354.11	0.95

**42** COVID-19 continues to spread across the globe including India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. In view of the highly uncertain economic environment, the extent to which the COVID-19 pandemic will impact the business of the Company depends upon future developments that cannot be predicted reliably at this stage. However, based on the preliminary estimates, the Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines, the Company has now resumed its operations, partially. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. The Company will continue to closely monitor any material changes arising due to the impact of this pandemic/future economic conditions impacting the financial and operational performance of the Company and take necessary measures to address the situation.

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

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

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

**Vinod Kumar Hans**  
Director  
DIN-03328309

**Dr. Khalid Iqbal Khan**  
Director  
DIN-05253556

**Manish Chadha**  
Chief Finance Officer  
DIN :07195652

Place: Gurugram  
Date: 25<sup>th</sup> June 2020

**Abhishek Nagar**  
Company Secretary  
Membership No.: F9029

**Independent Auditors' Report**

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

**Report on the Consolidated Financial Statements**

**Opinion**

1. We have audited the accompanying consolidated financial statements of Federal Mogul Goetze (India) Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the

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

**Emphasis of Matter**

4. We draw attention to Note 50 of the accompanying consolidated financial statements, which describes the uncertainties due to the outbreak of Covid-19 pandemic and the management's evaluation of the impact on the consolidated financial statements of the Group as at the balance sheet date. Our opinion is not modified in respect of this matter.

**Key Audit Matter**

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

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Provisions and contingent liabilities relating to litigations</b></p> <p>As disclosed in Note 37 to the consolidated financial statements, the group is involved in various direct taxes, indirect taxes, labour laws and other litigations ('litigations') that are pending with various tax authorities and courts. The group has recognised provisions aggregating to Rs. 1,517.09 lacs and disclosed contingent liabilities of Rs. 6,609.95 Lacs related to these litigations.</p> <p>Whether a liability is recognised as a provision or disclosed as a contingent liability in the financial statements is inherently judgmental dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgements in respect to these demands against the group.</p>	<p>Our audit procedures in relation to the provisions and contingent liabilities relating to litigations, included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management process for:               <ul style="list-style-type: none"> <li>- identification of legal and tax matters initiated against the group,</li> <li>- assessment of accounting treatment for each such litigation identified under accounting principles of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, and</li> <li>- measurement of amounts involved.</li> </ul> </li> <li>• Evaluated the design and tested the operating effectiveness of key controls around above process.</li> </ul> <p>Test of details included, but were not limited to, the following-</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the nature of litigations pending against the group and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the group.</li> <li>• Assessed the group's assumptions and estimates in respect of litigations, including the liabilities or provisions recognised or contingent liabilities disclosed in the financial statements. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts;</li> <li>• Assessed management's conclusions through discussions held with the</li> </ul>

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

in house legal counsel and understanding precedents set in similar cases;

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

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We have determined that there are no other key audit matters to communicate in our report.

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

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

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

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

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

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

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/ management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and

prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors are also responsible for overseeing the financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

11. Our objectives are to obtain

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates

and related disclosures made by management;

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

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

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

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

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are

therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the report, on separate financial statements of the subsidiary, we report that the Holding Company and its subsidiary company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;



d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the report of its subsidiary company, covered under the Act, none of the directors of the Group company, covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

g) with respect to the other matters to be

included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report on separate financial statement as also the other financial information of the subsidiary:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 37 to the consolidated financial statements;

ii. the Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

iii. there has been no delay in transferring amounts, required to be transferred, to

the Investor Education and Protection Fund by the Holding Company and its subsidiary company, during the year ended 31 March 2021; and

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

For **Walker Chandiok & Co. LLP**  
**Chartered Accountants**

Firm's Registration No.:  
**001076N/N500013**

**Anamitra Das**

Partner

**Membership No.: 062191**

Place: Gurugram

Date: 26<sup>th</sup> June 2020

**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 2020****Annexure A****Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Federal Mogul Goetze (India) Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company, which are companies covered under the Act, as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

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

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of

internal financial controls with reference to financial statements, and 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

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

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion the Holding Company and its subsidiary company which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on Internal Financial Controls Over Financial Reporting criteria established by the Group considering the essential components of Internal Control stated in the Guidance Note issued by the ICAI.

**For Walker Chandiok & Co LLP**  
**Chartered Accountants**

Firm's Registration No.:  
**001076N/N500013**

**Anamitra Das**  
Partner

**Membership No.: 062191**  
**UDIN: 20062191AAAAGG3733**

Place: Gurugram

Date: 26<sup>th</sup> June 2020

**Federal-Mogul Goetze (India) Limited**  
**Consolidated Balance Sheet as at 31 March 2020**

Rs. in lacs

	Notes	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	54,973.95	57,807.49
Capital work-in-progress	3	4,235.37	2,828.68
Right of use assets	3	484.02	-
Intangible assets	3A	37.09	37.68
Financial assets			
- Investments	4	6.94	6.94
- Loans	5	1,289.40	1,210.53
- Other financial assets	6	491.36	595.32
Current tax assets (net)	7	821.84	474.91
Other non-current assets	8	1,086.56	1,393.27
		<b>63,426.53</b>	<b>64,354.82</b>
<b>Current assets</b>			
Inventories	9	19,507.73	21,762.48
Financial assets			
- Trade receivables	10	19,617.08	23,777.57
- Cash and cash equivalents	11	8,906.26	1,122.15
- Other bank balances	11	3,500.00	2,365.64
- Loans	5	60.69	108.38
- Other financial assets	6	1,196.67	1,284.55
Other current assets	8	1,321.76	2,233.48
		<b>54,110.19</b>	<b>52,654.25</b>
<b>TOTAL ASSETS</b>		<b>117,536.72</b>	<b>117,009.07</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	12	5,563.21	5,563.21
Other equity	13	76,210.26	73,874.46
<b>Equity attributable to owners of the company</b>		<b>81,773.47</b>	<b>79,437.67</b>
Non controlling interest		6,603.99	6,352.88
<b>Total equity</b>		<b>88,377.46</b>	<b>85,790.55</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Lease liabilities	17A	7.60	-
Provisions	14	4,568.42	3,860.92
Deferred tax liabilities (net)	15	934.96	2,216.40
		<b>5,510.98</b>	<b>6,077.32</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	16	-	2,301.45
- Trade payables			
- total outstanding dues of micro enterprises and small enterprises	17	951.36	2,133.19
" - total outstanding dues of creditors other than micro enterprises and small enterprises	17	18,807.76	15,744.54
- Lease liabilities	17A	139.58	-
- Other financial liabilities	18	1,185.83	909.75
Other current liabilities	19	920.01	1,954.92
Provisions	14	1,643.74	2,097.35
		<b>23,648.28</b>	<b>25,141.20</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>117,536.72</b>	<b>117,009.07</b>

The above balance sheet should be read in conjunction with the accompanying notes

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

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

**Anamita Das**  
 Partner  
 Membership No.: 062191

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

**Vinod Kumar Hans**                      **Manish Chadha**  
 Whole Time Managing Director      Chief Finance Officer & Finance Director  
 DIN : 03328309                              DIN : 07195652

Place: Gurugram  
 Date: 26<sup>th</sup> June 2020

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

**Federal-Mogul Goetze (India) Limited**  
**Consolidated Statement of Profit and Loss for the year ended 31 March 2020**

Rs. in lacs

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>INCOME</b>			
Revenue from operations	20	108,540.75	134,182.99
Other income	21	1,313.36	1,424.55
<b>Total Income</b>		<b>109,854.11</b>	<b>135,607.54</b>
<b>Expenses</b>			
Cost of materials consumed	22	30,478.94	42,074.24
Purchases of stock-in-trade	23	1,580.42	1,451.74
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	2,159.50	(2,886.87)
Employee benefit expense	25	29,328.06	30,601.75
Finance cost	26	337.36	512.70
Depreciation and amortisation expense	27	9,277.44	8,576.87
Other expenses	28	32,027.77	40,382.07
<b>Total expenses</b>		<b>105,189.49</b>	<b>120,712.50</b>
<b>Profit before tax</b>		<b>4,664.62</b>	<b>14,895.04</b>
<b>Tax expense</b>			
Current tax	29	1,766.34	4,979.52
Deferred tax expense	29	(973.47)	365.71
<b>Total tax expense</b>		<b>792.87</b>	<b>5,345.23</b>
<b>Profit for the year</b>		<b>3,871.75</b>	<b>9,549.81</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
A. Remeasurements of the post employment defined benefit plans loss/ (gain)		1,223.62	(481.12)
B. Income tax relating to items that will not be reclassified to profit or loss		(307.98)	167.31
<b>Total Other Comprehensive Income</b>		<b>915.64</b>	<b>(313.81)</b>
<b>Total Comprehensive Income</b>		<b>2,956.11</b>	<b>9,863.62</b>
<b>Profit and loss for the year</b>		<b>3,871.75</b>	<b>9,549.81</b>
Attributable to			
a) Owner of the Company		3,249.67	8,741.30
b) Non controlling interest		622.08	808.51
<b>Other comprehensive income for the year</b>		<b>915.64</b>	<b>(313.81)</b>
Attributable to			
a) Owner of the Company		913.87	(309.06)
b) Non controlling interest		1.77	(4.75)
<b>Total comprehensive income for the year</b>		<b>2,956.11</b>	<b>9,863.62</b>
Attributable to			
a) Owner of the parent company		2,335.80	9,050.36
b) Non controlling interest		620.31	813.26
Earnings per equity share (of Rs 10 each)	30		
Basic (Rs)		5.84	15.71
Diluted (Rs)		5.84	15.71

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

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

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

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

**Vinod Kumar Hans**  
Whole Time Managing Director  
DIN : 03328309

**Manish Chadha**  
Chief Finance Officer & Finance Director  
DIN : 07195652

Place: Gurugram  
Date: 26<sup>th</sup> June 2020

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

**Federal-Mogul Goetze (India) Limited**  
**Consolidated cash flow statement for the year ended 31 March 2020**  
**(Indirect method)**

Rs. in lacs

	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>4,664.62</b>	14,895.04
Adjustments for:		
Depreciation and amortisation	9,277.44	8,576.87
Loss on sale / discard of fixed assets (net)	170.52	71.12
Provision for doubtful debts and advances	(33.98)	85.12
Excess liabilities written back	(458.19)	(522.70)
Provision for warranties	43.18	-
Bad debts / advances written off	41.81	31.91
Interest income	(397.37)	(195.21)
Interest expense	337.35	512.71
Unrealised forex loss/(gain) (net)	(178.32)	198.00
<b>Operating profit before working capital changes</b>	<b>13,467.06</b>	<b>23,652.86</b>
Movements in working capital:		
Decrease/(Increase) in trade/other receivables	4,356.35	(2,153.37)
Decrease/(Increase) in inventories	2,254.73	(2,684.18)
Decrease in other current and non-current financial assets	78.99	42.34
Decrease in other current and non-current assets	863.48	368.97
(Decrease) in other current and non-current financial liabilities	(30.51)	(18.22)
(Decrease) in other current and non-current liabilities	(1,031.81)	(478.55)
(Decrease) in current and non-current provisions	(1,012.72)	(1,091.10)
Increase in trade payables	2,311.29	1,291.32
<b>Cash flow from operating activities post working capital changes</b>	<b>21,256.86</b>	<b>18,930.07</b>
Income tax paid (net)	(2,113.26)	(5,605.56)
<b>Net cash generated from operating activities</b>	<b>19,143.60</b>	<b>13,324.51</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work-in-progress)	(7,498.94)	(10,844.27)
Proceeds from sale property, plant and equipment	39.99	313.12
Movement in other bank balances (net)	(1,030.41)	(1,795.01)
Investment purchased	-	(3.69)
Interest received	374.69	244.11
<b>Net cash used in investing activities</b>	<b>(8,114.67)</b>	<b>(12,085.74)</b>
<b>C. Cash flows from financing activities</b>		
Movement in borrowings(Short term)	(2,300.00)	(1.62)
Repayment of Lease liabilities	(230.98)	-
Interest paid	(343.19)	(467.43)
Payment of dividend including tax	(369.20)	(360.34)
<b>Net cash used in financing activities</b>	<b>(3,243.37)</b>	<b>(829.39)</b>
Net increase in cash and cash equivalents (A + B + C)	7,785.56	409.38
Cash and cash equivalents at the beginning of the year	1,120.70	711.32
Cash and cash equivalents at the end of the year	8,906.26	1,120.70

	31 March 2020	31 March 2019
<b>Cash and cash equivalents as per above comprise of the following (refer note no 11)</b>		
With banks - on current account	3,206.26	1,122.15
Deposits with original maturity for less than three months	5,700.00	-
Cash credit facilities from banks (bank overdrafts)	-	(1.45)
	<b>8,906.26</b>	<b>1,120.70</b>

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

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

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

Place: Gurugram  
 Date: 26<sup>th</sup> June 2020

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

**Vinod Kumar Hans**                      **Manish Chadha**  
 Whole Time Managing Director      Chief Finance Officer & Finance Director  
 DIN : 03328309                              DIN : 07195652

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

**Federal-Mogul Goetze (India) Limited**  
**Consolidated statement of change in equity as at 31 March 2020**

Rs. in lacs

Particulars	Balance as at 01 April 2018	Change in equity share capital during the year	Balance as at 31 March 2019	Change in equity share capital during the year	Balance as at 31 March 2020
<b>A) Equity share capital</b>	<b>5,563.21</b>	<b>-</b>	<b>5,563.21</b>	<b>-</b>	<b>5,563.21</b>

Particulars	Reserves and surplus							
	General reserve	Capital reserve	Capital redemption reserve	Securities premium account	Retained earnings	Total other equity	Non controlling interest	Total
<b>Balance as at 1 April 2018</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>34,721.81</b>	<b>64,824.10</b>	<b>5,899.96</b>	<b>70,724.06</b>
<b>Additions during the year:</b>								
Profit for the year	-	-	-	-	8,741.30	8,741.30	808.51	9,549.81
Other Comprehensive Income for the year ended								
Remeasurements of the post employment defined benefit plans gain (net of tax)	-	-	-	-	309.06	309.06	4.75	313.81
Less: Dividend paid including dividend distribution tax (DDT)	-	-	-	-	-	-	(360.34)	(360.34)
<b>Balance as at 31 March 2019</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>43,772.17</b>	<b>73,874.46</b>	<b>6,352.88</b>	<b>80,227.34</b>
<b>Additions during the year:</b>								
Profit for the year	-	-	-	-	3,249.67	3,249.67	622.08	3,871.75
Other Comprehensive Income for the year ended								
Remeasurements of the post employment defined benefit plans gain (net of tax)	-	-	-	-	(913.87)	(913.87)	(1.77)	(915.64)
Less: Dividend paid including dividend distribution tax (DDT)	-	-	-	-	-	-	(369.20)	(369.20)
<b>Balance as at 31 March 2020</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>46,107.97</b>	<b>76,210.26</b>	<b>6,603.99</b>	<b>82,814.25</b>

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

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

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

Place: Gurugram  
 Date: 26<sup>th</sup> June 2020

**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

**Manish Chadha**  
 Chief Finance Officer & Finance Director  
 DIN : 07195652

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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### Corporate information

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

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

Federal Mogul Holdings Limited, Mauritius, is the immediate parent Company and ultimate parent Company is Tenneco Inc., USA (from 01 October 2018, erstwhile parent Federal Mogul LLC, USA).

### 1. Statement of significant accounting policies

#### 1.1 Statement of compliance with Ind AS

These financial statements ('Consolidated financial statements') of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2020 were authorised and approved for issue by the Board of Directors on 26 June 2020.

#### 1.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and

The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March, 2020.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

**1.4 Summary of Significant Accounting Policies**

**a) Overall consideration**

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

*Basis of preparation*

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

**b) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**c) Use of estimates**

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

**d) Property, plant and equipment**

*Recognition and initial measurement*

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

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

*Subsequent measurement (depreciation and useful lives)*

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

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

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

*De-recognition*

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



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020****e) Intangible assets***Recognition and initial measurement*

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

*Subsequent measurement (amortisation)*

The cost of capitalised software is amortised over a period in the range of 5 years from the date of its acquisition. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

**f) Impairment of non-financial assets**

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

**g) Financial instruments***Initial recognition and measurement*

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

**Non-derivative financial assets***Subsequent measurement*

**i. Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**ii. Financial assets carried at fair value**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

**Non-derivative financial liabilities***Subsequent measurement*

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

*De-recognition of financial liabilities*

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

**Offsetting of financial instruments**

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

**h) Impairment of financial assets**

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

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

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

*Trade receivables*

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

*Other financial assets*

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

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

**i) Fair Value of financial instrument**

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

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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

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

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

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

**j) Leases****Transition**

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

Refer note 39 for details.

**The Company as a lessee**

The Company's leased asset classes primarily consist of leases for land and Building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on the remaining term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

**Summary of significant accounting policies and other explanatory information for the year ended  
31 March 2020****k) Inventories****Inventories are valued as follows:**

Inventories are valued at cost or net realisable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- Raw material cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Stores and spares cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- In case of work in progress-at raw material cost plus conversion costs depending upon the stage of completion.
- In case of finished goods-cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

**l) Revenue Recognition**

Revenue is recognised at fair value of consideration received or receivable net of related rebates, to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

**i) Sale of products**

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

*Satisfaction of performance obligations*

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

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

*Payment terms*

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

*Variable considerations associated with such sales*

Periodically, the Group launches various volume or other rebate programs where once a certain volume or other conditions are met, it gives the customer as volume discount some portion of the amounts previously billed or paid. For such arrangements, the Group only recognises revenue for the amounts it ultimately expects to realise from the customer. The Group estimates the variable

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates each reporting period.

ii) Interest:

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

iii) Commission:

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

iv) Export Benefits/Incentives:

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

**m) Borrowing Costs**

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

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

**n) Foreign Currency Transactions***Functional and presentation currency*

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

*Transactions and balances*

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

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

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

**o) Retirement and other employee benefits**

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

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

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

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

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

**Summary of significant accounting policies and other explanatory information for the year ended  
31 March 2020**

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**(iv) Superannuation Benefit**

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

**(v) National Pension Scheme**

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

**p) Income Taxes**

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

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India.

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

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

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

**q) Earnings per Share**

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

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

**r) Provisions, contingent liabilities and contingent assets**

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

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

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

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

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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

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Contingent liability is disclosed for:

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

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

**s) Cash and Cash Equivalents**

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

**t) Segment Reporting**

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

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

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

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

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

*Significant management judgements*

**Recognition of deferred tax assets** – Recognition of deferred tax assets is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

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

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

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

**Summary of significant accounting policies and other explanatory information for the year ended  
31 March 2020**

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

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

*Significant estimation uncertainties*

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

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

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



### Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

#### 3. Property plant and equipments

	Freehold land	Lease hold land	Building	Furniture and fittings and office equipment	Plant and machinery	Vehicles	Total	Right of use assets (ROU)	Capital work-in-progress
<b>Gross carrying amount</b>									
Opening gross carrying amount as on 01 April 2018	1,485.16	362.87	11,501.41	1,733.00	120,063.61	418.95	135,565.00	-	3,488.87
Additions	-	-	463.83	137.27	10,798.27	11.88	11,411.25	-	8,144.92
Disposals /adjustments	-	-	(24.37)	(23.84)	(1,670.51)	(10.54)	(1,729.26)	-	(8,805.12)
<b>Closing gross carrying amount as on 31 March 2019</b>	<b>1,485.16</b>	<b>362.87</b>	<b>11,940.87</b>	<b>1,846.43</b>	<b>129,191.37</b>	<b>420.29</b>	<b>145,246.99</b>	-	<b>2,828.68</b>
<b>Gross carrying amount</b>									
Opening gross carrying amount as on 01 April 2019	1,485.16	-	11,940.87	1,846.43	129,191.37	420.29	144,884.12	362.87	2,828.68
Additions / transfers	-	-	297.50	83.33	6,444.20	35.71	6,860.74	357.29	7,648.79
Disposals /adjustments	-	-	(27.67)	(25.80)	(1,840.70)	(13.25)	(1,907.42)	-	(6,242.10)
<b>Closing gross carrying amount as on 31 March 2020</b>	<b>1,485.16</b>	-	<b>12,210.70</b>	<b>1,903.96</b>	<b>133,794.87</b>	<b>442.75</b>	<b>149,837.44</b>	<b>720.16</b>	<b>4,235.37</b>
<b>Accumulated Depreciation</b>									
Opening accumulated depreciation as on 01 April 2018	-	8.56	5,125.97	1,192.52	73,619.78	283.11	80,229.94	-	-
Depreciation charge during the year	-	4.28	365.45	112.14	8,041.80	29.72	8,553.39	-	-
Disposals / adjustments	-	-	(16.70)	(22.86)	(1,293.73)	(10.54)	(1,343.83)	-	-
<b>Closing accumulated depreciation as on 31 March 2019</b>	-	<b>12.84</b>	<b>5,474.72</b>	<b>1,281.80</b>	<b>80,367.85</b>	<b>302.29</b>	<b>87,439.50</b>	-	-
<b>Accumulated Depreciation</b>									
Opening accumulated depreciation as on 01 April 2019	-	-	5,474.72	1,281.80	80,367.85	302.29	87,426.66	12.84	-
Depreciation charge during the year	-	-	380.07	95.45	8,547.01	31.01	9,053.54	223.30	-
Disposals / adjustments	-	-	(19.74)	(24.70)	(1,559.06)	(13.21)	(1,616.71)	-	-
<b>Closing accumulated depreciation as on 31 March 2020</b>	-	-	<b>5,835.05</b>	<b>1,352.55</b>	<b>87,355.80</b>	<b>320.09</b>	<b>94,863.49</b>	<b>236.14</b>	-
<b>Net Carrying amount as on 31 March 2019</b>	<b>1,485.16</b>	<b>350.03</b>	<b>6,466.15</b>	<b>564.63</b>	<b>48,823.52</b>	<b>118.00</b>	<b>57,807.49</b>	-	<b>2,828.68</b>
<b>Net Carrying amount as on 31 March 2020</b>	<b>1,485.16</b>	-	<b>6,375.65</b>	<b>551.41</b>	<b>46,439.07</b>	<b>122.66</b>	<b>54,973.95</b>	<b>484.02</b>	<b>4,235.37</b>
<b>Contractual obligations</b>									

Refer to no 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**3A. Intangible assets**

	software	Total intangible assets
<b>Year ended 31 March 2019</b>		
Gross carrying amount		
Opening gross carrying amount as on 01 April 2018	109.16	109.16
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount as on 31 March 2019</b>	<b>109.16</b>	<b>109.16</b>
<b>Year ended 31 March 2020</b>		
Gross carrying amount		
Opening gross carrying amount as on 01 April 2019	109.16	109.16
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount as on 31 March 2020</b>	<b>109.16</b>	<b>109.16</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation as on 1 April 2018	48.00	48.00
Amortisation charge during the year	23.47	23.47
Disposals	-	-
<b>Closing accumulated amortisation as on 31 March 2019</b>	<b>71.47</b>	<b>71.47</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation as on 1 April 2019	71.47	71.47
Amortisation charge during the year	0.60	0.60
Disposals	-	-
<b>Closing accumulated amortisation as on 31 March 2020</b>	<b>72.07</b>	<b>72.07</b>
<b>Net carrying amount as on 31 March 2019</b>	<b>37.68</b>	<b>37.68</b>
<b>Net carrying amount as on 31 March 2020</b>	<b>37.09</b>	<b>37.09</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 4. Investments

	As at 31 March 2020		As at 31 March 2019	
	Non current	Current	Non current	Current
Carried at cost which is approximately equivalent to fair value				
<b>(i) Investment in equity shares of other entity unquoted</b>				
67,690 Equity shares (as on 31 March 2019 : 32,500 equity shares) equity shares of Rs 10 each fully paid in Vyshali Energy Private Limited	6.94	-	6.94	-
Carried at fair value				
<b>(ii) Unquoted equity shares #</b>				
3,889,600 (as on 31 March 2019 : 3,889,600) equity shares of Rs 5 each, fully paid in GI Power Corporation Limited.	-	-	-	-
	<b>6.94</b>	<b>-</b>	<b>6.94</b>	<b>-</b>

#The fair value of unquoted equity shares is Nil (as on 31 March 2019 : Nil)

### 5. Loans

	As at 31 March 2020		As at 31 March 2019	
	Non current	Current	Non current	Current
Security deposits	1,289.40	60.69	1,210.53	108.38
	<b>1,289.40</b>	<b>60.69</b>	<b>1,210.53</b>	<b>108.38</b>

Note : The Group does not have loans which are either credit impaired or where there is significant increase in credit risk.

### 6. Other financial assets

	As at 31 March 2020		As at 31 March 2019	
	Non current	Current	Non current	Current
<b>Unsecured, considered good</b>				
Margin money deposits - pledged with government authorities	491.36	-	595.32	-
Export incentive receivable	-	468.30	-	504.69
Earnest money deposits	-	17.73	-	13.02
Other receivables	-	674.58	-	747.42
Interest accrued on deposits		36.06		19.42
	<b>491.36</b>	<b>1,196.67</b>	<b>595.32</b>	<b>1,284.55</b>

Refer note no 31 for fair value disclosures in respect of financial assets measured at amortised cost and refer note no 32 for financial risk management.

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**7. Current tax assets/ liabilities**

	As at 31 March 2020	As at 31 March 2019
<b>Current tax assets</b>		
Advance taxes paid (net of provision for tax)	<b>821.84</b>	474.91
	<b>821.84</b>	<b>474.91</b>

**8. Other assets**

	As at 31 March 2020		As at 31 March 2019	
	Non current	Current	Non current	Current
Capital advances (Unsecured, considered good)	<b>122.02</b>	-	474.00	-
Advances other than capital advances:				
Unsecured, considered good	-	<b>744.00</b>	-	1,643.25
Unsecured, credit impaired	-	<b>3.96</b>	-	20.46
Less: Provision for doubtful advances	-	<b>(3.96)</b>	-	(20.46)
	-	<b>744.00</b>	-	<b>1,643.25</b>
Prepaid expenses	<b>25.49</b>	<b>577.76</b>	37.57	590.23
Paid to government authorities under protest	<b>939.05</b>	-	881.70	-
	<b>1,086.56</b>	<b>1,321.76</b>	<b>1,393.27</b>	<b>2,233.48</b>

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

	As at 31 March 2020	As at 31 March 2019
Raw materials and components (includes stock in transit of Rs.510.63 lacs) (previous year Rs.274.48 lacs)	<b>2,562.89</b>	2,330.89
Work-in-progress	<b>5,757.18</b>	6,203.03
Finished goods	<b>8,782.08</b>	10,357.48
Traded goods	<b>18.11</b>	13.57
Stores and spares (includes stock in transit of Rs.32.05 lacs (previous year Rs.20.60 lacs)	<b>2,387.47</b>	2,714.72
Reusable scrap	-	142.79
	<b>19,507.73</b>	<b>21,762.48</b>

Note : The cost of inventories recognised as an expense includes **Rs.247.00** lacs (previous year Rs. 377.68 lacs) in respect of write-downs of inventory to net realisable value. The same has been included in note 22 and 24.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 10. Trade receivables

	As at 31 March 2020	As at 31 March 2019
Secured, considered good	422.48	452.98
Unsecured, considered good	19,270.77	23,448.45
Unsecured, significant increase in credit risk	184.59	178.14
	<b>19,877.84</b>	<b>24,079.57</b>
Less: Allowance for expected credit loss	(260.76)	(302.00)
	<b>19,617.08</b>	<b>23,777.57</b>

Notes:

(1) The credit period generally allowed on domestic sales as well as export sales varies from 30 to 60 days (excluding transit period).

(2) Refer note 32 for provision for doubtful debts.

(3) Refer note 38 for balances due from related party.

### 11. Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Balances with scheduled banks: - Current accounts	3,206.26	1,122.15
Deposits with original maturity for less than three months	5,700.00	-
	<b>8,906.26</b>	<b>1,122.15</b>

b) Other bank balances

Deposits with original maturity for more than 3 months but less than 12 months	3,500.00	2,365.64
	<b>3,500.00</b>	<b>2,365.64</b>

### 12. Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Authorized shares</b>		
80,000,000 (as on 31 March 2019 : 80,000,000) equity shares of Rs. 10 each.	8,000.00	8,000.00
	<b>8,000.00</b>	<b>8,000.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
55,632,130 (31 March 2019 : 55,632,130) equity shares of Rs.10 each.	5,563.21	5,563.21
	<b>5,563.21</b>	<b>5,563.21</b>

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

(b) Right/restriction attached to equity shares.

The parent 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 parent Company, the holders of equity shares will be entitled to receive remaining assets of the parent Company, after payment of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2020		31 March 2019	
	No.	% holding	No.	% holding
<b>Equity shares of Rs 10- fully paid</b>				
Federal Mogul Holding Limited, Mauritius, the Holding company	33,408,581	60.05%	33,408,581	60.05%
Federal Mogul Vemogensverwaltung GMBH, a fellow subsidiary company	8,306,873	14.93%	8,306,873	14.93%

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**(d) 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 2020		31 March 2019	
	No.	% holding	No.	% holding
<b>Equity shares of Rs.10/- fully paid</b>				
a) Federal Mogul Holding Limited, Mauritius, the Holding company	<b>33,408,581</b>	<b>60.05%</b>	33,408,581	60.05%
b) Federal Mogul Vemogensuwerwaltungs GMBH, a Fellow subsidiary company	<b>8,306,873</b>	<b>14.93%</b>	8,306,873	14.93%
c) Reliance Capital Trustee Company Limited	-	-	5,439,254	9.78%
d) IEH FMGI Holdings LLC	<b>12,145,391</b>	<b>21.83%</b>	-	-

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

(e) The parent 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 any equity shares during the last five years.

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

**13. Other equity**

Particulars	General reserve	Capital reserve	Capital redemption reserve	Securities premium account	Retained earnings	Total
<b>Balance as at 1 April 2018</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>34,721.81</b>	<b>64,824.10</b>
Profit for the year	-	-	-	-	8,741.30	8,741.30
Items of other comprehensive income recognised directly in retained earnings:						
Remeasurements of the post employment defined benefit plans (gain)/ loss (net of tax)	-	-	-	-	309.06	309.06
<b>Balance as at 31 March 2019</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>43,772.17</b>	<b>73,874.46</b>
Profit for the year	-	-	-	-	3,249.67	3,249.67
Items of other comprehensive income recognised directly in retained earnings:						
Remeasurements of the post employment defined benefit plans (gain)/ loss (net of tax)	-	-	-	-	(913.87)	(913.87)
<b>Balance as at 31 March 2020</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>46,107.97</b>	<b>76,210.26</b>

**Description of nature and purpose of each reserve**

**Capital Reserve** - Capital reserve was created on amalgamation of Escort Pistons Limited with Couple Investments Private Limited and Sintered Products Limited with Goetze India Limited in previous years.

**Capital Redemption Reserve** - This reserve was created for redemption of preference shares in the financial year 2003-04 & 2011-12. The preference shares were redeemed in the financial year 2003-04 & 2011-12.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 14. Provisions

	As at 31 March 2020		As at 31 March 2019	
	Non current	Current	Non current	Current
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note no 40)	3,435.89	3.46	2,634.87	5.81
Provision for compensated absences	1,017.87	237.85	985.12	150.76
	4,453.76	241.31	3,619.99	156.77
Provision for regulatory matters (refer note (a) below)	114.66	1,402.43	240.93	1,940.58
	114.66	1,402.43	240.93	1,940.58
	4,568.42	1,643.74	3,860.92	2,097.35

Note (a) Provisions movement (also refer Note no. 43)	31 March 2020			31 March 2019		
	Regulatory matters Non current	Regulatory matters Current	Warranty Current	Regulatory matters Non current	Regulatory matters Current	Warranty Current
Opening balance	240.93	1,940.58	-	81.75	2,244.77	11.92
Provision made during the year	-	132.01	-	191.88	283.84	-
Utilised during the year	(93.13)	(670.16)	-	-	(588.03)	(11.92)
Finance expense on unwinding of provision	(33.14)	-	-	(32.70)	-	-
Closing balance	114.66	1,402.43	-	240.93	1,940.58	-

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**15. Deferred tax liabilities (net)**

	Opening balance as on 1 April 2018	Recognised in statement of profit & loss	Recognised in OCI	Closing balance as on 31 March 2019
<b>2018-2019</b>				
<b>Deferred tax assets</b>				
Provision for employees benefits	1,590.15	(87.33)	(167.31)	1,335.51
Provision for doubtful debts and advances	101.91	9.81	-	111.72
Provision for regulatory matters	532.58	19.99	-	552.57
Stock Reserve on closing stock	12.79	(10.17)	-	2.62
Others	398.58	(138.28)	-	260.30
	<b>2,636.01</b>	<b>(205.98)</b>	<b>(167.31)</b>	<b>2,262.72</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment and Intangible assets	4,319.39	159.73	-	4,479.12
	<b>4,319.39</b>	<b>159.73</b>	<b>-</b>	<b>4,479.12</b>
<b>Net deferred tax liabilities</b>	<b>1,683.38</b>	<b>365.71</b>	<b>167.31</b>	<b>2,216.40</b>
	Opening balance as on 1 April 2019	Recognised in statement of profit & loss	Recognised in OCI	Closing balance as on 31 March 2020
<b>2019-2020</b>				
<b>Deferred tax assets</b>				
Provision for employees benefits	1,335.51	(448.20)	307.98	1,195.29
Provision for doubtful debts and advances	111.72	(45.10)	-	66.62
Provision for regulatory matters	552.57	(257.04)	-	295.53
Stock reserve on Closing stock	2.62	-	-	2.62
Others	260.30	(50.67)	-	209.63
	<b>2,262.72</b>	<b>(801.01)</b>	<b>307.98</b>	<b>1,769.69</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment and Intangible assets	4,479.12	(1,774.48)	-	2,704.64
	<b>4,479.12</b>	<b>(1,774.48)</b>	<b>-</b>	<b>2,704.64</b>
<b>Net deferred tax liabilities</b>	<b>2,216.40</b>	<b>(973.47)</b>	<b>(307.98)</b>	<b>934.96</b>

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 16. Borrowings (short term)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Secured</b>		
Cash credit facilities from banks (refer note (a))	-	1.45
	-	1.45
<b>Unsecured</b>		
Inter-corporate deposit from related party (refer note (b) below and also refer note no 38)	-	2,300.00
Working capital loan	-	-
	-	<b>2,300.00</b>
	-	<b>2,301.45</b>

#### Note (a)

(i) Indian rupees working capital loans and cash credit facilities are secured against hypothecation of current assets of the parent Company, both present and future with HDFC bank, Yes Bank, Kotak Mahindra Bank, State Bank of India and Deutsche Bank.

(ii) Cash credit facilities carries interest in range of 9% to 11% p.a.

**Note (b):** As on 31 March 2020 there are no inter-corporate deposits. Inter-corporate deposits outstanding as on 31 March 2019 were repayable on demand and carried interest at 8.50% p.a. Inter-corporate deposits outstanding as on 31 March 2019 were repayable on demand and carried interest at 8.50% p.a.

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**17. Trade payables**

	As at 31 March 2020	As at 31 March 2019
Dues of micro enterprises and small enterprises(refer note no 42 for details of dues to micro and small enterprises)	951.36	2,133.19
Dues of creditors other than micro enterprises and small enterprises (including acceptances)	18,807.76	15,744.53
	<b>19,759.12</b>	<b>17,877.72</b>

Refer note no 38 for related party balances.

**17A. Lease liabilities**

	As at 31 March 2020		As at 31 March 2019	
	Non current	Current	Non current	Current
Lease liabilities	7.60	139.58	-	-
	<b>7.60</b>	<b>139.58</b>	-	-

**18. Other financial liabilities**

	As at 31 March 2020	As at 31 March 2019
Payables to capital creditors	682.85	349.57
Deposits from dealers	422.48	452.98
Interest accrued on borrowings	24.51	-
Interest accrued on inter corporate deposits	-	12.85
Interest accrued on security deposits	55.99	94.35
	<b>1,185.83</b>	<b>909.75</b>

**19. Other current liabilities**

	As at 31 March 2020	As at 31 March 2019
Advance from customers	165.39	129.63
Statutory liabilities	752.59	1,806.34
Other current liabilities	2.03	18.95
	<b>920.01</b>	<b>1,954.92</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 20. Revenue from operations

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Revenue from operations</b>		
Sale of goods	106,777.28	131,660.24
<b>Other operating revenue</b>		
Export incentives	355.36	599.76
Scrap sales	1,408.11	1,922.99
<b>Revenue from operations</b>	<b>108,540.75</b>	<b>134,182.99</b>

Note: Refer note no. 41 for the disclosure in relation to Ind AS 115

### 21. Other income

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on		
Fixed deposits with banks	328.19	140.01
Others	69.18	55.21
Foreign exchange fluctuation (net)	113.54	-
Excess liabilities written back	492.17	524.68
Miscellaneous income	310.28	704.65
	<b>1,313.36</b>	<b>1,424.55</b>

### 22. Cost of material consumed

	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock	2,330.89	2,713.14
Add: Purchases	30,710.94	41,691.99
Less: Closing Stock	(2,562.89)	(2,330.89)
<b>Raw material consumption</b>	<b>30,478.94</b>	<b>42,074.24</b>

### 23. Purchases of stock-in-trade

	Year ended 31 March 2020	Year ended 31 March 2019
Purchases of stock-in-trade	1,580.42	1,451.74
	<b>1,580.42</b>	<b>1,451.74</b>

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**24. Changes in inventories of finished goods, work-in-progress and stock-in-trade**

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Opening stock</b>		
Work-in-progress	6,203.03	6,445.04
Finished products	10,357.48	7,317.54
Trading goods	13.57	17.06
Reusable scrap	142.79	50.36
	<b>16,716.87</b>	13,830.00
<b>Less: Closing stock</b>		
Work-in-progress	5,757.18	6,203.03
Finished products	8,782.08	10,357.48
Trading goods	18.11	13.57
Reusable scrap	-	142.79
	<b>14,557.37</b>	<b>16,716.87</b>
	<b>2,159.50</b>	<b>(2,886.87)</b>

**25. Employee benefit expenses**

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	24,813.66	25,327.20
Contribution to provident and other funds	1,527.25	1,422.98
Gratuity expense (refer note no. 40)	676.13	694.01
Staff welfare expenses	2,311.02	3,157.56
	<b>29,328.06</b>	<b>30,601.75</b>

**26. Finance cost**

	Year ended 31 March 2020	Year ended 31 March 2019
Interest		
- to banks	83.30	136.69
- to others	254.06	376.01
	<b>337.36</b>	<b>512.70</b>

**27. Depreciation and amortisation expense (refer Note no. 3)**

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipments	9,053.54	8,553.39
Depreciation of Right of use assets	223.30	-
Amortisation of intangible assets	0.60	23.48
	<b>9,277.44</b>	<b>8,576.87</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 28. Other expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spares	10,872.15	14,769.51
Sub-contracting expenses	1,554.63	1,905.57
Power and fuel	7,306.42	8,920.56
Freight and forwarding charges	1,185.87	1,660.15
Rent (refer note no.39)	112.28	321.41
Rates and taxes	264.66	213.75
Insurance	179.88	224.94
Repairs and maintenance		
Plant and machinery	492.84	558.12
Buildings	158.00	228.49
Others	637.24	956.04
Selling and distribution expense	384.61	620.52
Management support charges (refer note no.44)	2,654.11	3,211.68
Royalty and trade-mark license fees	2,131.73	2,677.39
Provision for warranties (net of reversals)	43.95	-
Travelling and conveyance	519.57	624.63
Communication costs	90.78	95.15
Corporate social responsibility expense (refer note no.46)	297.33	257.91
Printing and stationery	75.24	100.09
Legal and professional fees	1,010.43	1,104.72
Auditors remuneration (Refer details below)*	71.25	56.50
Foreign exchange fluctuation (net)	36.04	223.40
Bad debts / advances written off	41.81	31.91
Provision for doubtful debts and advances	-	85.12
Loss on sale of fixed assets (net)	170.52	71.12
Environmental maintenance and remediation	190.15	137.08
Bank charges	72.54	80.85
Miscellaneous expenses	1,473.74	1,245.46
	<b>32,027.77</b>	<b>40,382.07</b>

#### \*Auditors remuneration

- Statutory audit fee	31.25	30.25
- Limited reviews	27.00	18.00
- Tax audit fee	3.50	2.25
- Others	9.50	6.00
	<b>71.25</b>	<b>56.50</b>

### 29. Tax expense

	Year ended 31 March 2020	Year ended 31 March 2019
Current tax	1,657.20	4,922.36
Tax related to earlier years	109.14	57.16
Deferred tax	(973.47)	365.71
	<b>792.87</b>	<b>5,345.23</b>

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.168% and the reported tax expense in profit or loss are as follows:		
<b>Accounting profit before income tax</b>	<b>4,664.62</b>	<b>14,895.04</b>
At country's statutory income tax rate of 25.168% (31 March 2019: 34.944%)	<b>1,173.99</b>	5,204.92
<b>Tax effect on permanent non deductible expenses :</b>		
Effect of change in tax rate (refer note below)	<b>(580.10)</b>	-
Expenses allowance for which was done in earlier years	<b>(101.84)</b>	-
Expenses disallowed under Income tax act, 1961	<b>80.51</b>	96.96
Disallowed expense under Rule 14A of Income tax act	<b>13.00</b>	1.79
Tax related to earlier years	<b>109.14</b>	57.16
Difference in tax rates of holding company and subsidiary	-	(135.65)
Tax impact of Dividend distribution tax (DDT) on dividend distributed by the subsidiary	<b>65.52</b>	63.95
Others	<b>32.65</b>	56.11
	<b>792.87</b>	<b>5,345.23</b>
<b>Tax rate</b>		
Base rate	22.000%	30.000%
Surcharge	2.200%	3.600%
Education cess	0.968%	1.344%
<b>Total</b>	<b>25.168%</b>	<b>34.944%</b>

**30. Earnings per share**

	Year ended 31 March 2020	Year ended 31 March 2019
Profit for the year as per Statement of Profit and Loss	<b>3,249.67</b>	8,741.30
Weighted average number of equity shares in calculating basic and diluted EPS	<b>55,632,130</b>	55,632,130
Nominal value of shares	<b>10.00</b>	10.00
Earning per share - basic and diluted (₹)	<b>5.84</b>	15.71

**31 Fair value disclosures**

**i) Fair values hierarchy**

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

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

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

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

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

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### (iii) Fair value of instruments measured at amortised cost

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

The following methods and assumptions were used to estimate the fair values:

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

## 32. Financial risk management

### i) Financial instruments by category

Particulars	As at 31 March 2020			As at 31 March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	**	-	6.94	**	-	6.94
Trade receivables	-	-	19,617.08	-	-	23,777.57
Cash and cash equivalents	-	-	8,906.26	-	-	1,122.15
Other bank balances	-	-	3,500.00	-	-	2,365.64
Loans	-	-	1,350.09	-	-	1,318.91
Other financial assets	-	-	1,688.03	-	-	1,879.87
<b>Total</b>	-	-	<b>35,068.40</b>	-	-	<b>30,471.08</b>
<b>Financial liabilities</b>						
Borrowings (including interest accrued on borrowings)	-	-	24.51	-	-	2,314.30
Trade payable	-	-	19,759.12	-	-	17,877.73
Lease liabilities	-	-	147.18	-	-	-
Other financial liabilities (excluding interest accrued on borrowings)	-	-	1,161.32	-	-	896.90
<b>Total</b>	-	-	<b>21,092.13</b>	-	-	<b>21,088.93</b>

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

### ii) Risk Management

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

#### A) Credit risk

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

#### a) Credit risk management

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

A: Low

B: Medium

C: High

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**Assets under Credit risk**

Credit rating	Particulars	As at	
		31 March 2020	31 March 2019
A: Low	Cash and cash equivalents	<b>8,906.26</b>	1,122.15
	Other financial assets	<b>1,688.03</b>	1,879.87
	Loan	<b>1,350.09</b>	1,318.91
	Trade receivables	<b>19,693.25</b>	23,901.43
C: High	Trade receivables	<b>184.59</b>	178.14

**Cash and cash equivalents and bank deposits**

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

**Trade receivables**

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

**Other financial assets measured at amortised cost**

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

**b) Expected credit losses**

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

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

Particulars	As at		As at	
	31 March 2020		31 March 2019	
	>365 Days	0 - 365 Days	>365 Days	0 - 365 Days
Gross amount of trade receivables where no default (as defined above) has occurred	<b>184.59</b>	<b>19,693.25</b>	178.14	23,901.43
Expected loss rate (in %)	<b>100%</b>	<b>0.39%</b>	100%	0.52%
Expected credit loss( loss allowance provision)	<b>184.59</b>	<b>76.17</b>	178.14	123.86

**Reconciliation of loss provision – lifetime expected credit losses**

Reconciliation of loss allowance	Trade receivable
<b>Loss allowance as on 1 April 2018</b>	<b>219.87</b>
Impairment loss recognised/reversed during the year	82.13
<b>Loss allowance as on 1 April 2019</b>	<b>302.00</b>
Impairment loss recognised/reversed during the year	(41.24)
<b>Loss allowance on 31 March 2020</b>	<b>260.76</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### B) Liquidity risk

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

#### Maturities of financial liabilities

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

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

31 March 2020	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payable	19,759.12	-	-	-	19,759.12
Lease Liabilities	139.58	7.60	-	-	147.18
Other financial liabilities	1,185.83	-	-	-	1,185.83
<b>Total</b>	<b>21,084.53</b>	<b>7.60</b>	<b>-</b>	<b>-</b>	<b>21,092.13</b>

31 March 2019	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Short term borrowings	2,314.30	-	-	-	2,314.30
Trade payable	17,877.73	-	-	-	17,877.73
Other financial liabilities	896.90	-	-	-	896.90
<b>Total</b>	<b>21,088.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,088.93</b>

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**C) Market Risk**

**a) Foreign currency risk**

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

**(i) Foreign currency risk exposure:**

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

Particulars	Foreign Currency	As at 31 March 2020	As at 31 March 2019
<b>Financial liabilities- Creditors</b>	USD	<b>872.60</b>	387.32
	EUR	<b>1,172.78</b>	718.92
	GBP	<b>542.64</b>	263.65
	JPY	<b>510.00</b>	216.00
	SEK	<b>8.38</b>	5.81
	CHF	-	0.14
	SGD	<b>0.35</b>	-
	CNY	<b>150.79</b>	-
		<b>3,257.54</b>	<b>1,591.84</b>
<b>Financial assets</b>			
Debtors	EUR	<b>3,122.00</b>	355.41
	USD	<b>156.86</b>	2,694.10
		<b>3,278.86</b>	<b>3,049.51</b>
<b>Net exposure to foreign currency risk (assets)</b>		<b>21.32</b>	<b>1,457.68</b>

**Sensitivity**

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

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>USD sensitivity</b>		
INR/USD- increase by 500 bp (31 March 2019 500 bp)*	(35.79)	115.34
INR/USD- decrease by 500 bp (31 March 2019 500 bp)*	35.79	(115.34)
<b>EUR sensitivity</b>		
INR/EUR- increase by 500 bp (31 March 2019 500 bp)*	97.46	(18.18)
INR/EUR- decrease by 500 bp (31 March 2019 500 bp)*	(97.46)	18.18
<b>GBP sensitivity</b>		
INR/GBP- increase by 500 bp (31 March 2019 500 bp)*	(27.13)	(13.18)
INR/GBP- decrease by 500 bp (31 March 2019 500 bp)*	27.13	13.18
<b>JPY sensitivity</b>		
INR/JPY- increase by 500 bp (31 March 2019 500 bp)*	(25.50)	(10.80)
INR/JPY- decrease by 500 bp (31 March 2019 500 bp)*	25.50	10.80
<b>SEK sensitivity</b>		
INR/SEK- increase by 500 bp (31 March 2019 500 bp)*	(0.42)	(0.29)
INR/SEK- decrease by 500 bp (31 March 2019 500 bp)*	0.42	0.29
<b>CHF sensitivity</b>		
INR/CHF- increase by 500 bp (31 March 2019 500 bp)*	-	(0.01)
INR/CHF- decrease by 500 bp (31 March 2019 500 bp)*	-	0.01
<b>SGD sensitivity</b>		
INR/SGD- increase by 500 bp (31 March 2019 500 bp)*	(0.02)	-
INR/SGD- decrease by 500 bp (31 March 2019 500 bp)*	0.02	-
<b>CNY sensitivity</b>		
INR/CNY- increase by 500 bp (31 March 2019 500 bp)*	(7.54)	-
INR/CNY- decrease by 500 bp (31 March 2019 500 bp)*	7.54	-

\* Holding all other variables constant

### b) Interest rate risk

#### i) Liabilities

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

*Interest rate risk exposure*

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

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowing	-	1.45
Fixed rate borrowing	-	2,312.84
<b>Total borrowings</b>	<b>-</b>	<b>2,314.30</b>

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

*Sensitivity*

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

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Interest sensitivity*</b>		
Interest rates – increase by 50 bp basis points	-	(0.01)
Interest rates – decrease by 50 bp basis points	-	0.01
<i>* Holding all other variables constant</i>		

**ii) Assets**

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

**c) Price risk**

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

**33 Capital management**

The Group's capital management objectives are

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

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
Total debt	-	2,314.29
Less: Cash and bank balances	<b>8,906.26</b>	1,122.15
Net debt	<b>(8,906.26)</b>	1,192.14
Total equity (as shown on the face of balance sheet)	<b>81,773.47</b>	79,437.67
<b>Net debt to equity ratio</b>	<b>0.00%</b>	<b>1.48%</b>

Note: Debt to equity ratio has been shown as Nil as the calculated amount depicts a negative balance.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 34. Capital commitments

	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment (net of advances paid)	1,528.75	1,907.46
	<b>1,528.75</b>	<b>1,907.46</b>

### 35. Assets pledged as security

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

	As at 31 March 2020	As at 31 March 2019
<b>Current assets</b>		
Inventories, cash and cash equivalents and trade receivables	39,683.55	44,495.98
<b>Total current assets pledged as security</b>	<b>39,683.55</b>	<b>44,495.98</b>

### 36. Segment information

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

The analysis of geographical segment is based on the geographical location of the customers. The following table shows the distribution of the Group's consolidated sales by geographical market, regardless of where the goods were produced. Revenue from one customer amounts to **Rs. 10,986.76 lacs** (previous year Rs. 13,665.98 lacs). No other single customer represents 10% or more to the Group revenue for financial year ended 31 March 2020 and 31 March 2019.

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
India	96,546.64	120,112.47
Other countries	10,230.64	11,547.77
	<b>106,777.28</b>	<b>131,660.24</b>

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
India	16,147.41	20,451.24
Other countries	3,469.67	3,326.33
	<b>19,617.08</b>	<b>23,777.57</b>

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

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**37. Contingent liabilities**

Particulars	As at 31 March 2020	As at 31 March 2019
<b>(i) Excise duty</b>		
(a) Cases decided in the Group's favour by Appellate authorities department has filed further appeal and show cause notices/ orders on the same issues for other periods	-	73.13
(b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods	<b>16.43</b>	16.43
(c) Show cause notices on issues yet to be adjudicated	<b>910.78</b>	282.45
<b>Total</b>	<b>927.21</b>	<b>372.01</b>
<b>(ii) Service tax</b>		
(a) Cases decided in the Group's favour by Appellate authorities department has filed further appeal and show cause notices/ orders on the same issues for other periods	-	48.53
(b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods	<b>1,376.55</b>	1,365.68
(c) Show cause notices on issues yet to be adjudicated	-	119.72
<b>Total</b>	<b>1,376.55</b>	<b>1,533.93</b>
<b>(iii) Sales tax</b>		
(a) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	<b>750.08</b>	4,368.83
<b>Total</b>	<b>750.08</b>	<b>4,368.83</b>
<b>(iv) Income tax</b>		
(a) Cases decided in the Group's favour by Appellate authorities department has filed further appeal and show cause notices/ orders on the same issues for other periods	<b>449.02</b>	834.92
(b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods	<b>2,922.82</b>	1,662.55
(c) Show cause notices on issues yet to be adjudicated	<b>38.26</b>	95.15
<b>Total</b>	<b>3,410.10</b>	<b>2,592.62</b>
<b>(v) Others</b>		
(a) Employee related cases	<b>146.01</b>	268.96
(b) Electricity demand	-	52.24
<b>Total</b>	<b>146.01</b>	<b>321.20</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 38. Related Party Transactions

(I) In accordance with the requirement of Indian Accounting Standard (Ind AS - 24) on related party disclosures where control exist and description of the relationship are as follows:

#### (a) Name of Parties where control exists

##### i) Holding Company

- Federal Mogul Holdings Limited (Mauritius)

##### ii) Subsidiary

- Federal-Mogul TPR (India) Limited

##### iii) Ultimate Holding Company

- Tenneco Inc., USA (Refer note 12)

#### (b) Key managerial personnel

- Mr. Vinod Kumar Hans, Whole Time Managing Director
- Mr. Manish Chadha, Chief Finance Officer & Finance Director
- Mr. Rajesh Sinha, Additional Director
- Mr. Khalid Iqbal Khan, Whole Time Director- Legal and Company Secretary
- Mr. Krishnamurthy Naga Subramaniam, Non-executive Director
- Mr. Mukul Gupta, Non-executive Director (Till 12 Feb. 2020)
- Mr. Sundareshan Kanakku Chembakaraman Pillai, Non-executive Director
- Mr. Mahendra Kumar Goyal, Non-executive Director (Till 31 Oct. 2019)
- Ms. Nalini Jolly (From 13 Aug. 2019)
- Mr. Abhishek Nagar (From 3 Sept. 2019)
- Mr Anand Kumar Sahoo, Company Secretary (Till 22 Aug. 2019)
- Mr. Kapil Arora, Manager
- Mr. Takehiko Karasawa, Director
- Mr. Toshiaki Imai, Director

#### (c) Fellow and step fellow subsidiaries

- Federal Mogul Burscheid GMBH, Germany
- Federal Mogul Nurnberg, GMBH (Germany)
- Federal Mogul Holding Deutschland (Germany)
- Federal Mogul Limited (U.K.)
- Federal Mogul Financial Services FRANCTNL (France)
- Federal Mogul Gorzyce, S.A. (Poland)
- Federal Mogul Friedberg, GMBH (Germany)
- Federal Mogul Sintered Products Limited. (U.K.)
- Federal Mogul Friction Products Limited (Thailand)
- Federal Mogul Thailand Manufacturina Ayutthaya, (Thailand)
- Federal Mogul France, S.A. (France)
- Federal Mogul Corporation, Garennes (France)
- Federal Mogul (Shanghai)
- Federal Mogul Friction Products Limited.
- Federal Mogul Worldwide Aftermarket
- Federal Mogul Sistemas Brazil
- Federal Mogul Dongsuh Piston Co. Limited. (China)
- Federal Mogul Bradford Limited.
- Federal Mogul Powertrain Spara, MII
- Federal Mogul KK Yokohama
- Federal Mogul Powertrain Inc, Southbend
- Federal Mogul Chasseneuil
- Federal Mogul Kontich
- Federal Mogul Anand Bearings India Limited
- Federal-Mogul Ignition Products India Limited
- Federal-Mogul Powertrain Solutions India Private Limited
- Federal Mogul Anand Sealing India Limited
- Motocare India Private Limited
- Federal Mogul Motoparts India Limited
- TPR Co. Limited, Japan
- Federal Mogul UK Investments Limited

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

(ii) Those transactions along with related balances as at 31 March 2020 and 31 March 2019 are presented in the following table:

Particulars	Ultimate Holding Company Tennoco Inc. (USA)	
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
Sales	-	-
Purchase of raw material	-	-
Expenses incurred on Company's behalf	-	-
Expenses incurred by Company	<b>73.10</b>	224.89
Balance outstanding as at the end of the year (payables)	<b>(69.14)</b>	(3.62)
Balance outstanding as at the end of the year receivables	-	-

Particulars	Fellow Subsidiaries							
	Federal-Mogul Bradford Limited (Germany)		Federal-Mogul Burscheid GMBH, (Germany)		Federal-Mogul Gorzeye S.A (Poland)		Federal-Mogul Motorparts LLC	
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
Sales	-	-	-	-	-	-	<b>3,960.29</b>	5,361.16
Purchase of raw material	<b>678.21</b>	361.90	<b>375.00</b>	503.60	-	8.87	-	-
Purchase of fixed assets	-	-	<b>462.88</b>	1,825.41	-	323.92	-	-
Expenses incurred on Company's behalf	-	-	<b>107.83</b>	14.93	-	-	-	-
Expenses incurred by Company	-	-	<b>3.06</b>	(0.74)	-	-	-	-
Royalty Expenses	-	-	<b>706.56</b>	958.32	-	-	-	-
Balance outstanding as at the end of the year (payables)	<b>(354.82)</b>	(101.11)	<b>(630.68)</b>	(467.83)	-	-	<b>(20.47)</b>	(18.72)
Balance outstanding as at the end of the year receivables	-	-	<b>9.55</b>	-	-	-	<b>2,000.89</b>	1,730.58



## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Fellow Subsidiaries									
	Federal-Mogul Nurnberg, GMBH (Germany)		Federal-Mogul Thailand Manufacturina Ayuthaya (Thailand)		Federal-Mogul Holding Deutschland (Germany)		Federal-Mogul Naberezhnye Chelny		TPR Co. Auto Parts Mfg India Ltd	
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
Sales	23.23	2.15	837.30	102.21	-	-	538.03	453.60	-	-
Purchase of raw material	94.74	91.46	-	-	-	-	-	-	-	-
Purchase / (Sale) of Fixed Assets	23.25	337.32	-	-	-	-	-	-	-	-
Management Support charges	-	-	-	-	2,308.50	3,211.68	-	-	-	-
Royalty Expense	866.22	1,062.86	-	-	-	-	-	-	-	-
Commission paid	-	-	-	-	-	-	-	-	13.29	-
Balance outstanding as at the end of the year (payable)	(464.77)	(305.22)	-	-	-	-	-	-	(2.98)	-
Balance outstanding as at the end of the year receivables	17.79	1.29	73.68	99.44	349.40	1,122.61	94.51	20.04	-	-

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**  
(All amounts in Rs. lacs, unless otherwise stated)

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. (India)**		Motocare India Private Ltd. (India)		Federal Mogul Anand Sealing India Limited	
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
Sales	-	-	-	0.55	-	-	-	-	<b>4,892.60</b>	3,869.29	-	-
Rent income	-	-	-	-	-	10.68	-	-	-	-	-	-
Expenses incurred on Company's behalf	<b>19.19</b>	74.85	-	3.92	-	-	<b>16.76</b>	26.97	<b>736.06</b>	427.68	<b>10.84</b>	0.66
Expenses incurred by Company	<b>18.46</b>	598.59	<b>0.91</b>	505.16	-	-	<b>161.90</b>	308.90	<b>607.40</b>	752.96	<b>48.11</b>	751.44
Inter-corporate deposit (ICD) Taken	-	-	-	400.00	-	-	<b>4,400.00</b>	8,000.00	-	-	-	-
Inter-corporate deposit (ICD) repaid	-	-	<b>300.00</b>	450.00	-	-	<b>6,400.00</b>	7,930.00	-	-	-	-
Interest on ICD	-	-	5.91	15.72	-	-	<b>8.05</b>	139.32	-	-	-	-
Balance outstanding as at the end of the year (payable)	<b>(56.59)</b>	(53.18)	<b>(0.26)</b>	(301.95)	-	-	<b>(383.79)</b>	(2,208.52)	-	-	-	(1.39)
Balance outstanding as at the end of the year receivables	<b>48.32</b>	31.94	<b>10.88</b>	9.96	-	0.55	<b>396.57</b>	200.36	<b>151.91</b>	1,128.32	<b>14.30</b>	-

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Fellow Subsidiaries										Grand Total
	Federal Mogul S De RI De Cv		Federal-Mogul Sintered Products Limited, (U.K)		Federal-Mogul Friedberg GMBH		Federal-Mogul Ltd-UK		Other fellow subsidiaries		
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	
Sales	16.27	-	-	-	-	148.82	-	-	0.41	40.42	9,978.21
Purchase of raw material	-	-	333.40	375.12	131.56	238.82	-	-	167.91	15.17	1,594.94
Purchase / (Sale) of Fixed Assets	-	142.51	28.96	33.02	-	-	-	-	-	-	515.09
Trade Mark & license fees	-	-	-	-	-	-	141.95	190.26	-	-	190.26
Management Support charges paid	-	-	-	-	-	-	-	-	-	-	3,211.68
Expenses incurred on Company's behalf	-	-	-	-	-	-	-	-	-	-	549.01
Expenses incurred by Company	0.89	-	-	-	-	-	-	-	-	6.88	2,923.18
Royalty Expense	-	-	264.32	255.40	-	-	-	-	-	-	2,276.59
Balance outstanding as at the end of the year (payable)	(1.21)	-	(292.74)	(270.77)	(58.34)	(40.06)	-	(38.71)	(34.74)	7.24	(3,800.22)
Balance outstanding as at the end of the year receivables	17.06	-	-	-	-	141.61	-	-	(37.67)	(11.90)	4,474.80
Rent income	-	-	-	-	-	-	-	-	-	-	10.68
Commission paid	-	-	-	-	-	-	-	-	-	-	13.29
Inter-corporate deposit (ICD) Taken	-	-	-	-	-	-	-	-	-	-	8,400.00
Inter-corporate deposit (ICD) repaid	-	-	-	-	-	-	-	-	-	-	8,380.00
Interest on ICD	-	-	-	-	-	-	-	-	-	-	155.04

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Common Control with holding Co.			
	Federal Mogul UK Investment Limited		TPR Co. Limited Japan	
	31 March 2020 Year ended	31 March 2019 Year ended	31 March 2020 Year ended	31 March 2019 Year ended
Sales (including excise duty)	-	-	6.25	-
Purchase of raw material, intermediaries and finished goods (incl. excise duty)	-	-	243.96	170.24
Purchase of fixed assets	-	-	146.80	-
Dividend Paid	56.25	54.90	250.00	244.00
Management fee paid	-	-	-	-
Job work Expenses	-	-	-	-
Sole selling commission paid	-	-	-	-
Expenses incurred on Company's behalf	-	-	-	-
Rent expense	-	-	-	-
Royalty Expense	-	-	127.46	135.76
Inter-Corporate Deposit (ICD) given	-	-	-	-
Inter-Corporate Deposit (ICD) received back	-	-	-	-
Interest on ICD	-	-	-	-
Inter Corporate Deposits with holding company	-	-	-	-
Interest accrued on deposits with holding company	-	-	-	-
Balance outstanding as at the end of the year Receivable/ (Payable)	-	-	(253.22)	(127.43)

\* Federal Mogul Ignition Products India Limited (India), payables includes Rs Nil (31.03.2019 Rs 300 lacs) payable against Inter corporate deposits taken and Rs. Nil (31.03.2019 Rs 1.94 lacs) payable against the interest on the same.

\*\* Federal Mogul Powertrain Solutions India Private Ltd, payables includes Rs Nil (31.03.2019 Rs 2,000.00 lacs) payable against Inter corporate deposits taken and Rs Nil (31.03.2019 Rs 10.90 lacs) payable against the interest on the same.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### Key Managerial Personnel\*

Particulars	Mr. Vinod Kumar Hans		Mr. Manish Chadha		Mr. Khalid Iqbal Khan		Mr. Rajesh Sinha	
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
Remuneration	170.31	164.46	90.91	91.95	88.27	83.86	99.65	104.12

### Key Managerial Personnel\*

Particulars	Mr. Anand Kumar Sahoo		Mr. Kapil Arora		Mr. Abhishek Nagar		Mr. Toshiaki Imai	
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
Remuneration	11.51	28.01	32.41	31.50	17.67	-	68.44	51.03
							<b>Grand Total</b>	
							579.17	554.93

### Non-executive directors\*

Particulars	Mr. Krishnamurthy Naga Subramaniam		Mr. Mukul Gupta		Mr. Sundareshan Kanakku Chembakaraman Pillai		Ms. Nalin Jolly	
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
Director's sitting fee	13.35	17.35	12.20	13.60	2.60	1.00	3.80	-
							<b>Total</b>	
							1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
							32.35	32.55

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

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**39. Leases**
**a) Right of use assets**

The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

<b>Total operating lease commitments disclosed as at 31 March 2019</b>	<b>320.35</b>
<b>Recognition exemptions:</b>	
Variable lease payments not recognised	15.51
Other adjustments relating to lease commitment disclosures	47.26
<b>Operating lease liabilities before discounting</b>	<b>383.12</b>
Discounting impact (using incremental borrowing rate)	(25.83)
<b>Operating lease liabilities</b>	<b>357.29</b>
Finance lease obligations under Ind AS 17	-
<b>Total lease liabilities recognised under Ind AS 116 at 1 April 2019</b>	<b>357.29</b>

Following are the changes in the carrying value of right of use for the year ended 31 March 2020

Particulars	Leasehold land	Buildings	Office Equipment	Total
<b>Gross carrying value</b>				
As at 01 April 2019	362.87	-	-	362.87
Additions / transfers	-	348.90	8.39	357.29
Disposals	-	-	-	-
<b>As at 31 March 2020</b>	<b>362.87</b>	<b>348.90</b>	<b>8.39</b>	<b>720.16</b>
<b>Accumulated depreciation</b>				
As at 01 April 2019	12.84	-	-	12.84
Depreciation charge for the year	4.28	216.43	2.59	223.30
Disposals	-	-	-	-
<b>As at 31 March 2020</b>	<b>17.12</b>	<b>216.43</b>	<b>2.59</b>	<b>236.14</b>
Net carrying value				
<b>As at 31 March 2020</b>	<b>345.75</b>	<b>132.47</b>	<b>5.80</b>	<b>484.02</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2020

Particulars	As at 31 March 2020
Non-current lease liabilities	7.60
Current lease liabilities	139.58
	<b>147.18</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### The following is the movement in lease liabilities for the year ended 31 March 2020

Particulars	As at 31 March 2020
As at 01 April 2019	357.29
Additions	-
Finance cost accrued during the year	20.87
Deletions	-
Payment of lease liabilities	(230.98)
	<b>147.18</b>

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

Particulars	As at 31 March 2020
Less than one year	143.69
One to five years	8.46
More than five years	-

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### The following are the amounts recognised in profit or loss:

Particulars	Year ended 31 March 2020
Depreciation expense of right-of-use assets	223.30
Interest expense on lease liabilities	20.87
Expenses relate to short term lease (included in other expenses)	99.28
	<b>343.45</b>

### (ii) Lease related disclosures

- A The Company has leases for Land and buildings and Office equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its Land and buildings and Office equipment.
- B Total cash outflow for leases for the year ended 31 March 2020 was Rs. 230.98 lacs.
- C The company has short term lease agreements in which there are no lock in periods. The disclosure requirement related to total commitment of short term leases is thus not applicable to the company.

#### D Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Land	2	75 Years	75 Years	1	-	1
Buildings	4	6-17 months	11 months	4	-	4
Office Equipment	1	27 months	27 months	1	-	1

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

E There are no leases which are yet to commence as on 31 March 2020.

**F Impact on transition**

- 1 Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of Rs. 357.29 lacs and corresponding right of use asset of Rs. 357.29 lacs.
- 2 The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.
- 3 Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.
- 4 On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense over the remaining lease term.
- 5 On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 8.25%.

**40. Employee benefit obligations**
**Gratuity**

The parent and subsidiary Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services, gets a gratuity on departure at 15 days basic salary (last drawn) for each completed year of service on terms not less favourable than the provisions of the payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The following tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

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

Description	Year Ended 31 March 2020	Year Ended 31 March 2019
Current service cost	478.24	454.45
Interest cost	682.54	658.67
Expected Return on plan assets	(484.65)	(419.11)
<b>Amount recognised in the statement of profit and loss</b>	<b>676.13</b>	<b>694.01</b>

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

Description	Year Ended 31 March 2020	Year Ended 31 March 2019
Actuarial (gain) on obligations arising from changes in demographic adjustments	(35.53)	-
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	926.93	(236.08)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	352.19	(233.52)
<b>Remeasurements of the post employment defined benefit plans (gain) / loss</b>	<b>1,243.59</b>	<b>(469.60)</b>
Return on plan assets (greater)/ less than discount rate	(19.97)	(11.52)
<b>Remeasurements of the post employment defined benefit plans (gain) / loss recognised in OCI</b>	<b>1,223.62</b>	<b>(481.12)</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### (iii) Movement in the liability recognised in the balance sheet is as under:

Description	Year Ended 31 March 2020	Year Ended 31 March 2019
<b>Present value of defined benefit obligation as at the beginning of the year</b>	<b>9,266.78</b>	<b>9,666.00</b>
Current service cost	478.24	454.45
Interest cost	682.54	658.67
Remeasurements of the post employment defined benefit plans (gain) / loss	1,243.58	(469.60)
Benefits paid directly by the group	(1.08)	(0.45)
Benefits paid from the fund	(1,074.03)	(1,042.29)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>10,596.03</b>	<b>9,266.78</b>

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

Description	Year Ended 31 March 2020	Year Ended 31 March 2019
<b>Fair Value of plan assets at beginning of year</b>	<b>6,626.10</b>	<b>5,702.18</b>
Expected Return on plan assets	484.64	419.11
Contributions by employer	1,100.00	1,535.58
Benefits paid	(1,074.03)	(1,042.29)
Remeasurements of the post employment defined benefit plans (gain) / loss	19.97	11.52
<b>Fair Value of plan Assets at the end of the year</b>	<b>7,156.68</b>	<b>6,626.10</b>

Description	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation	10,596.03	9,266.78
Fair valuation of plan assets	7,156.68	6,626.10
<b>Plan (assets)/ liability</b>	<b>3,439.35</b>	<b>2,640.68</b>

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

Description	Year Ended 31 March 2020	Year Ended 31 March 2019
Insurance company products	95.50%	96.20%
Equity shares	3.50%	3.00%
Bonds (including accrued interest)	0.00%	0.41%
Cash	1.00%	4.40%

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**Actuarial assumptions**

Description	As at 31 March 2020	As at 31 March 2019
Discount rate	6.60% p.a.	7.30% p.a.
Normal retirement age*	58 years	58 years
Employee turnover #	1% - 7% p.a.	5.0% p.a.
Expected rate of return on Plan Assets	6.60% p.a.	7.30% p.a.
Salary increase rate #	3% - 8% p.a.	7.00% p.a.

\* For patiala unit of parent entity its 60 and others its 58 years. The estimates of seniority, future salary increases, considered in actuarial valuation, take account of price inflation, promotions and other relevant factors, such as supply and demand in the employment market.

# Rate of employee turnover and salary increase depends upon various factors namely nature of employee, location etc.

**(v) A quantitative sensitivity analysis for significant assumptions :**

Description	As at 31 March 2020	As at 31 March 2019
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	<b>10,596.03</b>	9,266.78
- Impact due to increase of 0.50 %	<b>10,290.19</b>	9,030.47
- Impact due to decrease of 0.50 %	<b>10,918.84</b>	9,515.00
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	<b>10,596.03</b>	9,266.78
- Impact due to increase of 0.50 %	<b>10,887.56</b>	9,488.52
- Impact due to decrease of 0.50 %	<b>10,315.38</b>	9,051.00

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

**The following payouts are expected in future years:**

Description	As at 31 March 2020
Year ended 31 March 2021	1,109.69
Year ended 31 March 2022	979.12
Year ended 31 March 2023	1,421.43
Year ended 31 March 2024	1,349.23
Year ended 31 March 2025	1,587.71
Year ended 31 March 2026 and above	7,762.33

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 41 Revenue related disclosures

#### (a) Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers (Ind AS 115), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

The Group has applied Ind AS 115 prospectively from 1 April 2018 and the adoption of this standard did not have a material impact on the financial statements of the Group.

#### (b) Disaggregation of revenue

Revenue recognised mainly comprises of sale of products which majorly comprises of piston, piston rings and other auto components. Set out below is the disaggregation of the Group's revenue from contracts with customers:

Particulars	As at 31 March 2020	As at 31 March 2019
Revenue from contracts with customers		
<b>Sale of products</b>		
Domestic	96,546.64	120,721.60
Export	10,230.64	10,938.64
<b>Other operating income</b>	<b>1,763.47</b>	<b>2,522.75</b>
<b>Total revenue covered under Ind AS 115</b>	<b>108,540.75</b>	<b>134,182.99</b>

#### (c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Contract liabilities</b>		
Advances from consumers	165.39	129.63
Security deposits received from customers	422.48	452.98
<b>Total contract liabilities</b>	<b>587.87</b>	<b>582.61</b>
<b>Receivables</b>		
Trade receivables	19,877.84	24,079.57
Less : Allowances for expected credit loss	(260.76)	(302.00)
<b>Net receivables</b>	<b>19,617.08</b>	<b>23,777.57</b>

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

(d) Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

Particulars	As at 31 March 2020	
	Contract Liabilities	
	Advances from consumers	Security deposits received from customers
<b>Opening balance</b>	<b>129.63</b>	<b>452.98</b>
Addition during the year	5,345.02	44.92
Revenue recognised during the year/ amount refunded during the year	(5,309.26)	(75.42)
<b>Closing balance</b>	<b>165.39</b>	<b>422.48</b>

Particulars	As at 31 March 2019	
	Contract Liabilities	
	Advances from consumers	Security deposits received from customers
<b>Opening balance</b>	<b>287.00</b>	<b>471.19</b>
Addition during the year	5,603.45	72.69
Revenue recognised during the year/ amount refunded during the year	(5,760.82)	(90.90)
<b>Closing balance</b>	<b>129.63</b>	<b>452.98</b>

**(e) Satisfaction of performance obligations**

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

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Group expects to be entitled to.

**(f) Payment terms**

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

**(g) Variable considerations associated with such sales**

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

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 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 Group, the following are the details:

Particulars	As at 31 March 2020	As at 31 March 2019
a. The principal amount remaining unpaid as at the end of year	951.35	2,133.19
b. Interest due on above principal and remaining unpaid as at the end of the year	0.05	1.42
c. The amount of interest paid by the buyer in terms of section 16, of the micro, small and medium enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
d. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under micro, small and medium enterprise development Act, 2006.	17.15	18.80
e. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	17.20	20.22
f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	17.20	20.22

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**43. Provision for regulatory matters**

The parent Company is continuously evaluating processes for regulatory matters at its factories based on more accurate evidences available, a provision, towards costs to be incurred to remediate these matters, of **Rs..212.95 lacs** is included under Note no. 14 for provisions which are net of amounts utilized of **Rs.121.83 lacs** during the year towards remediation.

In addition to the above, the provision for regulatory matters includes a provision of **Rs.1,304.13 lacs** towards certain other regulatory matters.

The Group is actively seeking to resolve these actual and potential statutory, taxation, regulatory and contractual obligations. In accordance with requirements of Indian Accounting Standard (Ind AS) 37 on 'Provisions, Contingent liability and Contingent assets' issued by the Institute of Chartered Accountants of India, although difficult to quantify based on the complexity of the issues, the Group 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.

**44. Management support charges**

"During the financial year 2019-20, the group has paid the Management Support charges under Cost Allocation Agreement with Federal Mogul Holding Deutschland GmbH to **Rs. 2,654.11 lacs** (Previous year 2018-19 **Rs.3,211.68 lacs**). These charges are availment of centralised services pertaining to all the products of the parent company and, inter-alia, include Technical Support, Operations Management, Applications Engineering, Global Executive Management Services, Purchasing, Key Accounts Sales Management. This charge is based on actual services received by the parent company on cost basis without any mark up and is at an arm's length basis.

- 45.** Per transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961, the Group 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 Group has appointed independent consultants for conducting a Transfer Pricing Study (the 'Study') to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arms length basis. Management is of the opinion that the Group's international transactions are at arm's length and that the results of the on-going study will not have any impact on the financial statements and the independent consultants appointed have also preliminarily confirmed that they do not expect any transfer pricing adjustments.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 46. Corporate social responsibility

a) Gross amount required to be spent by the Group during the year in compliance with section 135 of the Act is

**Rs. 295.87 lacs** (Previous year :- Rs. 257.91 lacs)

b) Amount spent during the year on-

Particulars	Year ended 31 March 2020			Year ended 31 March 2019		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
a. Education related expenses	160.14	-	160.14	161.92	-	161.92
b. Health related expenses	2.20	-	2.20	3.57	-	3.57
c. Social activities	123.91	-	123.91	86.07	-	86.07
d. Others	11.08	-	11.08	6.36	-	6.36
	<b>297.33</b>	-	<b>297.33</b>	<b>257.91</b>	-	<b>257.91</b>

### 47. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Short term borrowings*	Interest
Opening Balance 1 April 2018	2,301.62	61.91
<b>Non cash changes due to</b>		
- Interest expense	-	512.71
<b>Cash flows during the year due to</b>		
- Movement in short term borrowings during the year	(1.62)	-
- Payment of interest	-	(467.43)
<b>Closing Balance as on 31 March 2019</b>	<b>2,300.00</b>	<b>107.20</b>
Non cash changes due to		
- Interest expense#	-	316.49
<b>Cash flows during the year due to</b>		
- Movement in short term borrowings during the year	(2,300.00)	-
- Payment of interest	-	(343.19)
<b>Closing Balance as on 31 March 2020</b>	<b>-</b>	<b>80.50</b>

\* Excluding cash credit facilities from bank which has been considered as part of cash and cash equivalents as per requirement of Ind AS - 7 (Statement of Cash Flows)

# Interest Expenses is adjusted by Rs. 20.87 lacs related to interest on Right of use liabilities as per Ind AS - 116 "Leases"

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**
*(All amounts in Rs. lacs, unless otherwise stated)*
**48. Disclosure of additional information pertaining to the Parent and subsidiary company per Schedule III of Companies Act, 2013 :**
**Rs. in lacs**

2019-20								
Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in profit and loss		Other comprehensive (OCI)		Total comprehensive income (TCI)	
	As % of Consolidated net assets	Net assets	As % of Consolidated profit & loss	Profit / (loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
<b>Parent Company</b>								
Federal Mogul Goetze India Limited	84.8	74,899.91	67.2	2,602.20	99.6	(912.02)	57.2	1,690.17
<b>Indian Subsidiary</b>								
Federal-Mogul TPR (India) Limited	15.2	13,477.55	32.8	1,269.56	0.4	(3.62)	42.8	1,265.94

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2020

2018-19								
Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in profit and loss		Other comprehensive (OCI)		Total comprehensive income (TCI)	
	As % of Consolidated net assets	Net assets	As % of Consolidated profit & loss	Profit / (loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
<b>Parent Company</b>								
Federal Mogul Goetze India Limited	84.9	72,825.48	82.7	7,899.80	96.9	304.11	83.2	8,203.91
<b>Indian Subsidiary</b>								
Federal-Mogul TPR (India) Limited	15.1	12,965.08	17.3	1,650.01	3.1	9.70	16.8	1,659.71

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31 March 2019



## Notes to the Consolidated Financial Statements for the year ended 31 March 2020

(All amounts in Rs. lacs, unless otherwise stated)

### 49. Non-controlling interest

Particulars	As at	As at
	31 March 2020	31 March 2019
Opening balance	6,352.88	5,899.96
Share of profit/(loss) during the year	622.08	808.51
Share of other comprehensive income/(loss) during the year	(1.77)	4.75
Dividend paid during the year	(369.20)	(360.34)
<b>Closing balance</b>	<b>6,603.99</b>	<b>6,352.88</b>

Set out below is summarised financial information for subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed are before inter-company eliminations.

#### a) Summarised Balance Sheet

##### Federal-Mogul TPR (India) Limited

Particulars	As at	As at
	31 March 2020	31 March 2019
Current assets	11,694.13	10,597.75
Current liabilities	2,209.06	1,223.27
<b>Net current assets</b>	<b>9,485.07</b>	<b>9,374.48</b>
Non-current assets	4,525.85	3,992.49
Non-current liabilities	533.37	401.89
<b>Net non-current assets</b>	<b>3,992.48</b>	<b>3,590.60</b>
<b>Net assets</b>	<b>13,477.55</b>	<b>12,965.08</b>
<b>Accumulated to NCI</b>	<b>6,603.99</b>	<b>6,352.88</b>

#### b) Summarised Statement of Profit and Loss

##### Federal-Mogul TPR (India) Limited

Particulars	Year Ended	Year Ended
	31 March 2020	31 March 2019
Revenue	9,499.83	10,685.03
Profit for the year	1,269.56	1,650.01
Other comprehensive income/(loss)	3.62	(9.70)
<b>Total comprehensive income</b>	<b>1,273.18</b>	<b>1,640.31</b>
Profit allocated to NCI	622.08	808.51
Dividends paid to NCI	369.20	360.34

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts in Rs. lacs, unless otherwise stated)

**c) Summarised Cash Flows**

**Federal-Mogul TPR (India) Limited**

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Cash flows from operating activities	<b>1,303.80</b>	1,815.63
Cash flows from investing activities	<b>5,406.43</b>	(1,318.34)
Cash flows from financing activities	<b>(853.83)</b>	(743.20)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,856.40</b>	<b>(245.91)</b>

**50.** COVID-19 continues to spread across the globe including India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. In view of the highly uncertain economic environment, the extent to which the COVID-19 pandemic will impact the business of the Group depends upon future developments that cannot be predicted reliably at this stage. However, based on the preliminary estimates, the Group does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines, the Group has now resumed its operations, partially. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. The Group will continue to closely monitor any material changes arising due to the impact of this pandemic/future economic conditions impacting the financial and operational performance of the Group and take necessary measures to address the situation.

**For Walker Chandiok & Co. LLP**

**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner

Membership No.: 062191

Place: Gurugram

Date: 26<sup>th</sup> June 2020

**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

## Corporate Office:

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