



Dt.: 28<sup>th</sup> July, 2023

1. Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400001
2. Listing Department  
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

**Ref: Reg. 30 & 34 of SEBI (LODR) Regulations, 2015**

**Sub.: 68<sup>th</sup> Annual Report for the Financial Year 2022-23 and Notice of the 68<sup>th</sup> Annual General Meeting of the Company**

Dear Sir/Ma'am,

Pursuant to Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the 68<sup>th</sup> Annual Report alongwith the Notice of the 68<sup>th</sup> Annual General Meeting of the Company for the financial year ended 31<sup>st</sup> March, 2023.

In compliance with the relevant Circulars issued by the Securities Exchange Board of India, the Notice of the 68<sup>th</sup> Annual General Meeting and the Annual Report for the financial year 2022-23 are being sent to the shareholders through electronic mode at their registered e-mail addresses and are also available on the Company's website at <http://www.federalmogulgoetzeindia.net/web/index.html>.

This is for your kind information and record.

Regards.

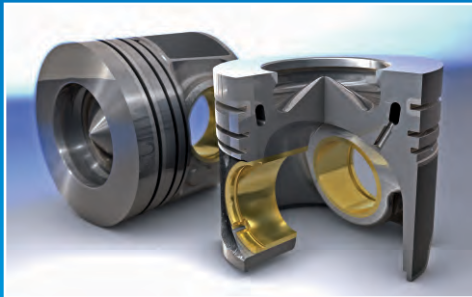
Yours truly,  
For **Federal-Mogul Goetze (India) Limited**

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

Encl: As above

- CC: 1. National Securities Depository Limited  
Trade Word, 4<sup>th</sup> Floor  
Kamala Mills Compound  
Senapati Bapat Marg  
Lower Parel, Mumbai 400 013
2. 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**



**68<sup>th</sup> Annual Report - 2022-23**



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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

Whole Time Director  
Mr. Rajesh Sinha

Directors  
Mr. K. C. Sundareshan Pillai  
Ms. Nalini Jolly  
Mr. Stephen Shaun Merry

## Auditors

Deloitte Haskins & Sells 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  
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)

## KEY BANKERS

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

## TEN YEAR'S FINANCIAL REVIEW

(Rs. in lacs)

	March 2023	March 2022	March 2021	March 2020	March 2019	March 2018	March 2017	March 2016	March 2015 (15 Months)	December 2013
Total Income (gross)	<b>164,042.01</b>	134,433.26	111,056.59	109,115.27	134,747.24	136,221.30	141,345.50	150,128.05	170,452.08	126,832.80
Depreciation	<b>7,728.69</b>	8,105.76	7,958.60	8,862.75	8,151.33	7,343.32	7,643.33	7,517.68	8,937.31	6,613.55
Profit before Tax	<b>12,727.35</b>	7,237.31	381.41	2,091.19	13,310.20	13,643.81	10,974.58	7,180.15	4,745.73	3,035.85
Taxation (adjmt for excess provision for prev.yr. written back if any)	<b>3,130.50</b>	1,857.08	61.65	19.57	4,755.24	5,109.62	3,780.76	2,779.51	1,610.19	977.29
Profit after Tax	<b>9,596.85</b>	5,380.24	319.76	2,071.62	8,554.97	8,534.19	7,193.82	4,400.64	3,135.54	2,058.56
Dividend	-	-	-	-	-	-	-	-	-	-
Dividend Tax	-	-	-	-	-	-	-	-	-	-
Retained Profit/(Loss)	<b>9,596.85</b>	5,380.24	319.76	2,071.62	8,554.97	8,534.19	7,193.82	4,400.64	3,135.54	2,058.56

## Assets Liabilities & Net Worth

	March 2023	March 2022	March 2021	March 2020	March 2019	March 2018	March 2017	March 2016	March 2015	December 2013
Fixed Assets	<b>53,989.01</b>	52,099.98	53,193.94	55,705.18	56,877.36	54,712.22	54,088.36	55,247.43	52,409.45	50,710.79
Investments	<b>666.53</b>	665.54	517.43	516.94	516.94	513.25	513.25	510.00	510.00	510.00
Indebtedness	-	-	-	-	6,661.45	6,812.67	11,593.22	20,132.59	21,975.54	20,244.13
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>85,565.55</b>	75,549.17	70,168.93	69,849.17	67,777.55	59,222.58	50,688.39	43,494.57	39,514.26	36,378.72
Net Worth	<b>91,128.76</b>	81,112.38	75,732.14	75,412.38	73,340.76	64,785.79	56,251.60	49,057.78	45,077.47	41,941.93

## Significant Ratios

	March 2023	March 2022	March 2021	March 2020	March 2019	March 2018	March 2017	March 2016	March 2015	Dec 2013
<b>A. Measurement of Investment</b>										
Percentage of Return on Investment (annualised)	<b>14.78</b>	9.23	0.50	2.69	17.56	19.57	16.02	10.54	7.34	5.01
Percentage of Return on Equity(annualised)	<b>14.78</b>	9.23	0.50	2.81	19.27	22.54	20.84	15.25	10.91	7.42
Dividend Cover (Ratio)	-	-	-	-	-	-	-	-	-	-
<b>B. Measurement of Performance</b>										
Percentage of Profit before Tax to sales	<b>7.91</b>	5.47	0.35	1.96	10.09	10.20	7.91	4.91	2.85	2.44
Percentage of Profit after Tax to sales	<b>5.97</b>	4.07	0.29	1.94	6.49	6.38	5.19	3.01	1.88	1.65
<b>C. Measurement of Financial Status</b>										
Percentage of term Loans to Tangible Net Worth	-	-	-	-	-	-	0.08	0.23	0.20	0.18
Current Ratio	<b>1.87</b>	1.77	1.83	1.90	1.61	1.39	1.20	0.98	0.93	0.90
<b>D. General</b>										
Dividend per Equity Share (Rs.)	-	-	-	-	-	-	-	-	-	-
Earnings per Equity Share (Rs.) (annualised)	<b>17.48</b>	9.48	0.14	5.36	14.83	14.91	13.33	7.91	5.64	3.70
Book Value per Equity Share (Rs.)	<b>163.81</b>	145.80	136.13	135.56	131.83	116.45	101.11	88.18	81.03	75.39

## Corporate Social Responsibility Activities

The year 2022 started with normalcy but it was only in September that the employees started attending office. Taking precautionary measures for employee safety and Back to normal was the norm but almost for 3 Quarters Covid 19 had posed a hindrance in the noble cause. Most of the employees of the company were working from home for majority of the time. The institutions were also getting back to normalcy. This year we took up activities in the field of providing education, employability enhancement, Skill development, environment conservation and women empowerment.

### Daan Utsav

We quickly ramped up our CSR activities and started with Daan Utsav. We celebrated Diwali by bringing smiles to extended families – our social communities, by campaigning Deep Utsav, the festival of lights as a “DAAN UTSAV”.

We Collaborated with GOONJ NGO. This was a unique way of celebrating a festival of giving ‘Daan Utsav’ (Joy of Giving Week) by bringing clothes and dresses to be given to the needy people and giving it off to pay back to the world.

Campaigning Locations were Gurgaon, Bhiwadi, Parwanoo, and Patiala.



Patiala Team with the commodities to be distributed in collaboration with Goonj.



Gurgaon : As a Socially responsible organisation, Tenneco is committed for giving back to society in terms of uplifting and empowering the needy and underprivileged sections of society. As a part of CSR





## Carving a new identity for women at Vidya

### Project for women empowerment

Tenneco has partnered with Vidya NGO for creating a Self Help Group called Mahila Shakti.

The aim of the group is to train women who are from economically weaker sections and do not have a source of livelihood.

Over the years we have supported them for getting trained on stitching and tailoring thereby making them skilled and economically dependent. (73 females are being trained)

More than 2585 women have been trained through our training programs. They have been certified after qualifying in the exams. Have also given them procurement orders for hand- made bags for our customers during Auto Expo.



Counselling Sessions by Logistics sector skill council to discuss about job opportunities available for women in Logistics sector



Workshop on Sewing Machine maintenance





Certificate distribution to the successful candidates

## Installing Steam cooking plant at Anandashram (Missionaries of Charity) (Home for Mentally and Physically challenged )

One of our core values is to Make Tomorrow Better. One way that we do this is by giving back and taking care of our local communities. On the occasion of Mother Teresa's 25th Remembrance Day, the Tenneco Powertrain India team made a contribution to the Anandashram (Missionaries of Charity) (Home for Mentally and Physically challenged ) for installing a Steam Cooking Plant at Project Location Gurgaon India





## Self Help Group 'Mahila Shakti'

Self Help Group 'Mahila Shakti' has got various opportunities to set up Stalls for the display and sale of their products. They also got many orders at the International Trade Fair 2022. During the last year Stalls were set up at 8 different locations in NCR. By setting up these stalls the women got exposure to exhibit their skills to the external world and the confidence to face customers. They have been fulfilling customer orders and this has supported them as a source of livelihood.



## Session on Importance of women being financially independent



## Stall display at multiple locations



## Education initiative by Tenneco (Ghar Angna)

Classes- 1st – 4th

April 2022

May 2022

July 2022

August 2022

September 2022

October 2022

December 2022

January 2022

Republic Day Celebration -

March 2023-

March 2023 -

Total no of students -95

New session started

Books & uniforms were distributed

The school reopened. Tremendous response in new admissions

Independence Day & Janmashtami was celebrated.

Teachers' day celebration. 1<sup>st</sup> Terminal exams were held

Parents-Teachers Meet . Result was shown to parents. Diwali was celebrated by students. Sweet packets were distributed.

2nd Terminal Exams. Christmas was celebrated in school with fun, food & gifts.

PTM was held .100% achievements by the students. Children attended the Family Day celebration by Tenneco & displayed their art & craft work.

Some Students were invited at Tenneco office to perform cultural program in their office. Gifts & snacks were given to student, they also performed Saraswati Puja at school

Holi celebration.

Annual Exams for students. PTM was conducted, parents were given report cards of their wards. Good performance by the students.







## Bangalore- Skill enhancement Training

The Main Objective is to enhance self-employment and self-reliance. The project aims to equip women with a skill that will help them to improve their living standards and generate income for their families.

During the period of 12 months about 90 to 120 women will be trained and skilled in the tailoring in order to create job opportunities for them . The training will include both Theory and Practice.

Mock, practical and written exams will be conducted after completion of 4 months. The certificate will be issued.



120

women Trained in Tailoring courses



## Sponsored Uniforms for Football Club

We enjoy seeing the youngsters dribble the ball in the direction of a brighter future for Indian football.

In an effort to develop outstanding footballers for future Indian Football team, our team has joined hands with Maa Foundation for Super Strikers Football Club Faridabad and sponsored uniforms for the young players there.

On Friday 6th January 2023, we distributed uniforms to a local youth football team

Some of the football team players are National Level players in the team.



## Bhiwadi-Infrastructural Support to school

VSG Bhiwadi team donated furniture for 150 students in a government school in Saidpur Rajasthan.

Also the team keeps taking up maintenance and infrastructural support projects in the school.







## Prosthetic Limbs Camp

Camp for providing prosthetic limbs to persons who have lost their limbs due to accidents or some health conditions.

The prosthetic limbs can help people with amputation to be self-dependent and move around more easily.

We initially started by getting a list of such patients from nearby Hospital and then got their measurements taken for getting it manufactured. The patient had another visit to make the fitting.

Through this CSR activity we helped 18 patients to stand on their feet, be self-independent again and earn their livelihood.



18 patients benefited

## Akhil Bhartiya Netrahin Sangh

Patiala school for Deaf and Blind run by Society for Welfare of the Handicapped, Village Saifdiur, Patiala (Punjab)

Here, we have provided the summer uniforms for 280 students along with shoes and socks. This is residential school for specially abled children being provided free residential special school.



### Activities

10 Braille Teaching aids donated to learn and update the knowledge of visually impaired inmates.

10 Musical Instruments were donated to impart music training to the students by qualified experts.

5 Computer Sets were donated so that Computer training can be provided which is beneficial for the visually impaired students in the future.

8 Cupboards have been donated to keep official documents safe.





## Financial support to children

Promotion of Education – Promoting quality education amongst less privileged children, to bring about a social change. Two brilliant students lost their Father at an early age. We support them in their education by providing their annual tuition fees.



NIOS	No. of beneficiaries enrolled 2021-22	No. of beneficiaries enrolled 2022-23*
NIOS X	28	23
NIOS XII	40	46
Total(X and XII)	68	69
NIOS OBE(3rd, 5th, 8th)	16	11

\*Registered till November 4, 2022

Result 2021 -22							
Percentage wise result 2021-22					Class	Total Students	Result
Class	Less than 40%	40-50%	50-60%	Above 60%			
X	0	5	5	5	X	18	83.33% passed
XII	0	4	10	6	XII	24	83.33% passed

Location	Gram Panchayat Building, Hurali Chickkanhalli, Hesaragatta Road, Bangalore.
Started	September-2020
Total no. of Classes	148 + 160
Total Candidates	30 in one Batch
No. of Batches	3 completed
New Batch	June-2022

SI No	Project	Beneficiaries	Beneficiary category	Environmental/ Financial/ Social impact
1	Child Rehabilitation & Education	100	Kids and Students in age 5-18	Got shelter and Education
2	Women Empower and Skill Development Project	73	Women	They got orders worth Rs 50,000
3	Steam Cooking Plant	67	Mentally challenged Children/Men in age 10-60	Healthy food, time saving, economic gains & man power saving
4	Primary Child Education uniform and books	90	Children in age 5-10	Underprivileged children Got Primary Education
5	Prosthetic Limbs	10	Adults 18-55	Prosthetic limbs helps self-dependent and move around more easily & Earn a livelihood.
6	Educational and vocational training for Blind Students	74	Students 6-18	Braille Teaching AIDS, Musical instruments and Computers for students to make update their knowledge and get Jobs in future.
7	Two Wheeler repairing Training (rehabilitation)	89	Students 5-18	Got certification and earn a livelihood.
8	Uniforms for under-privileged Football players	60	Students 5-18	7 Matches were the same uniform previous they were worn differently- different clothes
9	NIOS open schooling	5	Students 14-18	Job offers

**Impact assessment**  
Total individuals who got impacted -1255

(only primary beneficiaries)  
Total families who got impacted -1155

**Total individuals who got impacted – 3203 (including Secondary beneficiaries)**

## NOTICE

Notice is hereby given that the 68<sup>th</sup> (Sixty-eighth) Annual General Meeting (AGM) of Federal-Mogul Goetze (India) Limited (the Company) will be held on Wednesday, 23<sup>rd</sup> August, 2023 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 thereat, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2023, 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. Stephen Shaun Merry (DIN: 08749114) 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 RESOLUTION AS AN ORDINARY RESOLUTION:

4. Ratification of Remuneration to Cost Auditor for the financial year 2023-24

“**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 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 2023-24, 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.”

**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 : 22<sup>nd</sup> May, 2023  
Place : Gurugram**

**Notes:**

1. In the current scenario, social distancing is a norm to be followed, and pursuant to Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, followed by Circular No. 02/ 2021 dated January 13, 2021, Circular No. 19/ 2021 dated December 08, 2021, Circular No. 21/ 2021 dated December 14, 2021, Circular No. 02/2022 dated 5th May 2022, Circular No. 10/2022 dated 28<sup>th</sup> December 2022 (hereinafter collectively referred to as “MCA Circulars”) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) dated May 12, 2020, followed by Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May 2022 and Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05<sup>th</sup> January 2023 (hereinafter collectively referred to as “SEBI Circulars”) physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the AGM through VC/ OAVM.
2. Pursuant to MCA Circulars, the facility to appoint a proxy to attend and cast votes for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there and cast their votes through e-voting. 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 at least 1000 members on a 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 participating in 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 MCA Circulars, the Company is providing the 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 a remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company <http://federalmogulgoetzeindia.net/web/index.html> in the Financials & Reports 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 23<sup>rd</sup> August, 2023 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. 23<sup>rd</sup> August, 2023. Members seeking to inspect such documents can send an email to [investorgrievance@tenneco.com](mailto:investorgrievance@tenneco.com).
9. In order to receive copies of the Annual Report 2022-2023 in electronic mode, Members holding shares in demat mode, who have not registered their e-mail 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 the 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 [rta@alankit.com](mailto:rta@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. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statements of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
12. Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
13. 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.
14. The Register of Members and Share Transfer Register will remain closed from Wednesday, 16<sup>th</sup> August, 2023 to Wednesday, 23<sup>rd</sup> August, 2023 (both days inclusive).
15. The Directors' Report, Auditors' Report, and Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2023 are annexed herewith.
16. 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.
17. 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 MCA Circulars, the Company is providing the 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 AGM 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 a 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, Whole Time Director & Company Secretary, for any grievances connected with electronic means at [investorgrievance@tenneco.com](mailto:investorgrievance@tenneco.com), Tel. No.: +91 124 4784530.

18. The remote e-voting period commences on Sunday, 20<sup>th</sup> August, 2023 (9:00 AM) and ends on Tuesday, 22<sup>nd</sup> August, 2023 (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., Thursday, 17<sup>th</sup> August, 2023 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 the 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 a member of the Company after sending the Notice and holding shares as of the cut-off date i.e. 17<sup>th</sup> August, 2023 may obtain the login ID and password by sending an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investorgrievance@tenneco.com](mailto:investorgrievance@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 the "Forget User Details/Password" option available on [www.evoting.nsdl.com](http://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 the remote e-voting period, the facility shall forthwith be blocked.
19. The Board vide its Resolution passed on 22<sup>nd</sup> May, 2023 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 the 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.
20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.



**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:**

The remote e-voting period begins on Sunday, 20<sup>th</sup> August, 2023 at 9:00 A.M. and ends on Tuesday, 22<sup>nd</sup> August, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., 17<sup>th</sup> August, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 17<sup>th</sup> August, 2023.

**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: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e., NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e., NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**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 ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Password details for shareholders other than Individual shareholders 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 etc.
  - 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.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.****How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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" also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
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.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Abhishek Mishra at [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@alankin.com](mailto:rt@alankin.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@alankin.com](mailto:rt@alankin.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e., [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.](#)
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. [In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.](#)

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

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/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 EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/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 EGM/AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
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. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [abhishek.nagar@tenneco.com](mailto:abhishek.nagar@tenneco.com) or [khalid.khan@tenneco.com](mailto:khalid.khan@tenneco.com). The same will be replied by the company suitably.
6. Those Members who have registered themselves as speakers will only be allowed to express their views/ask questions during the AGM. Further, due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session, hence, shareholders are encouraged to send their questions, queries, etc. in advance as provided in note no. 5 above.

**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 : 22<sup>nd</sup> May 2023  
Place : Gurugram**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4**

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 Sanjay Gupta & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2023-24 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 2023-24 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 recommends to pass the resolution as set out in Item No.4 as an Ordinary Resolution.

**DETAILS OF THE DIRECTORS (IN PURSUANCE OF SECRETARIAL STANDARD-2 AND REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015) FOR ITEM NO. 2 & 3**

<b>Name of Director</b>	<b>Dr. Khalid Iqbal Khan</b>
<b>Original Date of Appointment</b>	22 <sup>nd</sup> May 2015
<b>Age</b>	54 years
<b>Expertise in specific functional areas</b>	Dr. Khalid Iqbal Khan has approximately 30 years of rich experience at senior level positions in the field of legal and corporate affairs. He has also undergone Mahler Leadership Course. Dr. Khan has been associated with the Company since November, 2009 and presently holding the position of a Whole-time Director- Legal & Company Secretary. Prior to joining the Company, he was the Company Secretary of Goodyear India Limited.
<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>Terms and Conditions of Re-appointment</b>	In terms of Section 152(6) of the Companies Act, 2013, Dr. Khalid Iqbal Khan who was re-appointed as a Whole-time Director at the Annual General Meeting held on 22 <sup>nd</sup> September, 2020 is liable to retire by rotation.
<b>Remuneration last drawn (FY 2022-23)</b>	Rs.1,27,17,413/- p.a
<b>Remuneration proposed to be paid</b>	As per existing approved terms of appointment.
<b>Directorships held in other companies (excluding foreign companies)</b>	1. Federal-Mogul Ignition Products India Limited 2. Federal-Mogul TPR (India) Limited
<b>Committee position held in other companies</b>	1. Federal-Mogul Ignition Products India Limited - Audit Committee, Member - Nomination & Remuneration Committee, Chairman - Corporate Social Responsibility Committee, Member 2. Federal-Mogul TPR (India) Limited - Corporate Social Responsibility Committee, Member
<b>Listed entities from which the Director has resigned in the past three years</b>	None
<b>No. of Board meetings attended during the year</b>	04
<b>No. of shares held including shareholding as a beneficial owner</b>	5 Equity shares
<b>Disclosure of inter-se relationships between directors and key managerial personnel:</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) FOR ITEM NO. 2 & 3**

<b>Name of Director</b>	<b>Mr. Stephen Shaun Merry</b>
<b>Original Date of Appointment</b>	26 <sup>th</sup> June, 2020
<b>Age</b>	54 years
<b>Expertise in specific functional areas</b>	Mr. Shaun Merry 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 a fellow of the Chartered Institute of Management Accountants (FCMA). Mr. Shaun has been with legacy Federal-Mogul Powertrain for a total of 25 years serving in various leadership roles during his tenure. He holds over 30 years of rich experience at various positions in the field of Finance, Purchasing, 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>Terms and Conditions of Re-appointment</b>	In terms of Section 152(6) of the Companies Act, 2013, Mr. Stephen Shaun Merry who was re-appointed as the Director at the Annual General Meeting held on 22 <sup>nd</sup> September, 2020, is liable to retire by rotation
<b>Remuneration last drawn (FY 2022-23)</b>	Not applicable
<b>Remuneration proposed to be paid</b>	Not applicable
<b>Directorships held in other companies (excluding foreign companies)</b>	Nil
<b>Committee position held in other companies</b>	Nil
<b>Listed entities from which the Director has resigned in the past three years</b>	None
<b>No. of Board meetings attended during the year</b>	03
<b>No. of shares held</b>	
<b>including shareholding as a beneficial owner</b>	Nil
<b>Disclosure of inter-se relationships between directors and key managerial personnel</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 : 22<sup>nd</sup> May 2023  
Place : Gurugram**



## DIRECTORS' REPORT

Your Directors are pleased to present the 68<sup>th</sup> Annual Report and Audited Financial Statement of Accounts for the financial year ending 31<sup>st</sup> March, 2023.

### FINANCIAL RESULTS

[Rs. in lacs]

Particulars	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022
Income from operations	1,60,854.23	1,32,197.67
Other Income	3,187.78	2,235.59
<b>Total Income</b>	<b>1,64,042.01</b>	<b>1,34,433.26</b>
<b>Operating profit before finance charges, depreciation and exceptional item</b>	<b>21,007.16</b>	<b>15,627.48</b>
Finance charges	382.31	424.59
Depreciation	7,728.69	8,105.76
Exceptional items	-	-
<b>Net Profit before tax</b>	<b>12,896.16</b>	<b>7,097.13</b>
Provision for taxation	-	-
Current tax	3,226.03	1,083.53
less: Deferred Tax	(53.04)	738.26
<b>Profit After Tax</b>	<b>9,723.17</b>	<b>5,275.34</b>
Other comprehensive income (net of taxes)	(126.32)	104.9
<b>Total Comprehensive income</b>	<b>9,596.85</b>	<b>5,380.24</b>
Profit brought forward from last year	47,741.88	42,361.64
<b>Surplus/ (loss) carried forward to Balance Sheet</b>	<b>57,338.73</b>	<b>47,741.89</b>

### OPERATIONS

During the financial year, the Gross sales of the Company was Rs.1,60,854.23 lakhs as against Rs. 132,197.67 lakhs for the financial year ended 31st March 2022. The Total income of the Company was Rs. 1,64,042.01 lakhs as against Rs. 134,433.26 lakhs for the financial year ended 31st March 2022.

During the year under review, the Company made a net profit after tax of Rs. 9,723.17 lakhs as against the net profit after tax of Rs 5,275.34 lakhs for the financial year ended 31st March 2022.

No amount is proposed to be transferred to the general reserves. The amount of Rs. 57,338.73 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 ending 31st March 2023.

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

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 programmed 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 of 31st March 2023 and of the profit and loss of the Company for the financial year ended 31st March 2023;

(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, and 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** and is also available at

<http://www.federalmogulgoetzeindia.net/web/documents/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf>

#### **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 Merger of Tenneco Inc, the ultimate global holding company of Federal-Mogul Goetze (India) Limited, with Pegasus Merger Co., a corporation established under the laws of Delaware ("Merger Sub") and a direct wholly owned

subsidiary of Pegasus Holdings III, LLC (the "Parent"/ "Acquirer"), was consummated on November 17, 2022. On 23<sup>rd</sup> November 2022, The Acquirer issued Detailed Public Statement through Manager to the Open Offer, BofA Securities India Limited.

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.

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, GUARANTEES AND INVESTMENTS**

In addition to the outstanding Inter Corporate Deposit (ICD) amounting to Rs. 33,00,00,000/- (Rupees Thirty-Three Crores only) to Federal-Mogul Sealings India Limited ("FMS"), having CIN: U29253PN2014 PLC152540, as at 31st March, 2022, the Company provided a further ICD of Rs. 1,00,00,000 (Rupees One Crore only) to FMS during the financial year 2022-23. However, as on 31st March, 2023 the entire ICD of Rs. 34,00,00,000 (Rupees Thirty-Four Crore only) was repaid by FMS to the Company. During the Financial Year ended 31st March, 2023, no investment and guarantee u/s 186 of the Companies Act, 2013 was made by the Company. The Company has obtained the annual certificate from its Statutory Auditor pursuant to applicable provisions of Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 with regard to its downstream investments.

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 also form part of the Notes to the financial statements provided in this Annual Report.

#### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the financial year 2022-2023, 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 2022-2023, 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 23(9) 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 within 30 days from the date of publication of financial results.

The transaction with promoter/ promoter group entities holding 10 percent or more shareholding are disclosed as notes to the financial statement (Note No. 12), 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.

#### **RENEWAL/ GREEN ENERGY**

As a responsible corporate citizen, the Company is inclined towards availing Green Energy as far as possible for its operations. During the year, the Company took steps to avail 23 Mega Watt of Solar Power for its Bangalore Plant. The Company now acquires around 95% of its overall Bangalore Plant's energy requirements from the new Solar and existing Wind energy sources.

Availing Green Energy has not only led to financial savings but also helped the Company in considerably reducing the carbon footprints generated by the Bangalore Plant. The Company is also evaluating Green Energy projects for its other Plants.

## 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 presently consisting of Mr. Vinod Kumar Hans as Chairman (Managing Director), Dr. Khalid Iqbal Khan (Whole-time Director-Legal & Company Secretary), Mr. Manish Chadha (Director-Finance & CFO) and Mr. K. N. Subramaniam (Independent Director) 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 29<sup>th</sup> July 2016 had approved the Dividend Distribution Policy and the same is available on Company's website and can be accessed at

[http://www.federalmogulgoetzeindia.net/web/documents/Federal\\_Dividend\\_Policy\\_29072016.pdf](http://www.federalmogulgoetzeindia.net/web/documents/Federal_Dividend_Policy_29072016.pdf).

## CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors at its meeting held on 09<sup>th</sup> 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 CSR Policy of the Company is available at <http://www.federalmogulgoetzeindia.net/web/documents/CSR%20Policy.pdf>. 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. K.N. 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 at least 2% of the average net profits of the company made during the three immediately preceding financial years on CSR activities. The Company has an allotted CSR budget of Rs. 7,330,740/- for the financial Year ended 31<sup>st</sup> March, 2023.

The activities and initiatives undertaken by the Company during the financial year 2022-23 on CSR activities have been detailed in the Annual Report on CSR activities in accordance with the Companies (Corporate Social Respon-

sibility Policy) Rules, 2014. The Annual Report on CSR activities is attached herewith as **Annexure - 4** and CSR Policy is attached herewith as **Annexure - 5** to this Report.

In accordance with the provisions of section 135 of the Companies Act 2013, the Board has approved an amount of Rs. 1,36,71,221 for spending on CSR activities during the financial year 2023-24.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Presently, the Board consists of eight (8) 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. Stephen Shaun Merry, Non-Executive Director, Mr. K. C. Sundareshan Pillai, Non-executive Independent Director and Ms. Nalini Jolly, Non-Executive Woman Independent Director.

Mr. Sunit Kapur, ceased to be a Non-executive Director on the Board with effect from 31<sup>st</sup> March 2023, there was no material reason for his resignation.

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

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-6**. The financial statements of the subsidiary company and related information are available for inspection at the Registered Office of the subsidiary

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

(www.federalmogulgoetzeindia.net).

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

#### **PUBLIC DEPOSITS**

As at 31<sup>st</sup> March, 2023 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 2023. 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.

#### **OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR**

The Board of Directors have evaluated the Independent Directors appointed during the year 2022-23 and opined that the integrity, expertise and experience (Including proficiency) of the Independent Directors is satisfactory.

#### **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. However, the Indian auto component industry has been navigating through a period of challenges.

During the financial year 2022-23, the industry produced a total of 25,931,867 vehicles including Passenger Vehicles, Commercial Vehicles, Three-Wheelers, Two-Wheelers, and Quadricycles as against production of 23,040,066 vehicles in the financial year 2021-22, registering a growth of 12.6 percent as compared to the financial year 2021-22.

The automotive industry recovered during the financial year 2022-23. The domestic sale of Passenger Vehicles improved by 26.7 percent in the financial year over the same period last year. The overall Commercial Vehicles segment grew by 34.3 percent in financial year 2023 as compared to the last financial year. The Medium & Heavy Commercial Vehicle (M&HCVs) and Light Commercial Vehicle segment witnessed a growth of 49.2 percent and 26.8 percent, respectively in financial year 2023 over the same period last year.

During the financial year, Two-Wheelers domestic sale registered a growth of 17 percent and export volumes declined by 18 percent over the last financial year. Within the Two-Wheelers segment, domestic sale of scooters and motorcycles witnessed growth of 26 percent and 14 percent respectively, while sale of Mopeds recorded a decline by 7 percent as compared to the last year.

The uptick in demand for automobiles in various categories over the past year is,



therefore, a significant development. The improvement in the auto sector follows the general sluggishness of the pandemic, and the economic upheavals created by the Ukraine-Russia conflict.

The chip availability has improved considerably, leading to the robust increase in passenger car sales. Apart from the industry's revival, what is noteworthy now is the increasing focus being put on vehicles operating alternate fuels. Automobile companies are pressing the accelerator on cars powered by CNG, Hybrid, and the new age hydrogen fuel cells.

## **(b) Opportunities and Threats**

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

Major regulatory interventions, such as the accelerated transition to BSVI, OBD-II, adoption of electric vehicles, safety rules, scrappage policy, 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. Since, the competition is intense, we compete with suppliers both in the organized as well as unorganized segments. Technological edge, specialization, innovation, and

networking will determine the success of the Company in this competitive environment. Further, the policies of the Government play a vital 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.

## **(d) Outlook**

Though the year 2023 started on an optimistic note, auto industry continues to witness challenges emerging from the on-going global geo-political situation viz. Russia- Ukraine war. Supply chain of parts continues to be an area of concern. The Financial Year 2023-24 is expected to witness moderate growth in single digits due to a high base, inflationary pressures, routine price hikes and regulatory changes. Additionally, for the third consecutive month, the US Government agencies have warned the possibility of El Nino's arrival later this year, which could lead to poor monsoons, hampering rural India's growth potential. In March/April months the untimely rains and hailstorms in North and Central India have destroyed key rabi crops and delayed harvesting, which will have a negative impact on rural demand. During the financial year 2023-24, the Company is expecting an year of consolidation for the Indian auto industry with an overall single digit growth over the previous year that should auger well for the Company.

However, the Indian Meteorological Department has forecasted normal monsoon season and decent harvesting in agriculture crops, which is a critical factor for the overall economic growth, including the automobile sector. The Government has introduced multiple reforms to boost the auto sector such as, production incentive scheme (PLI), vehicle scrappage policy, which aim to reduce the number of

old and defective vehicles, bringing down vehicular air pollutants, improving road and vehicular safety, all these interventions will have significant long term prospective.

However, the auto sector is still grappling with fluctuating raw material prices of steel, aluminum, copper, and precious metals and increasing fuel prices which are likely to impact the growth and fuel mix aspect of the automobile sector. Thus, this year is likely to be a challenging year for the auto component industry ahead.

The Company will endeavor to revitalize in near future as demand for vehicles witnesses further growth. To remain competitive in the challenging and demanding environment, the benchmark needs to be kept high in anticipation of the stated and unstated needs of 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:

**Macro Indicators:** The Indian economy has been performing well despite global challenges. The war in Ukraine and its global implications will continue to have an impact on India. It has led to high crude oil, cooking oil and commodity prices, which has in turn led to high inflation. With the RBI actively increasing interest rates, inflation has plateaued, the on-going geopolitical conflicts could possibly affect the auto industry in the medium and short-term.

**Raw material prices:** Our profitability and cost effectiveness may be affected due to rise 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 2022-23	FY 2021-22	Explanation to significant change wherever applicable
Debtors Turnover	6.09	5.13	-
Inventory Turnover	9.02	7.63	Better production planning improved inventory holding period
Interest Coverage Ratio	34.41	18.05	Low Volume/mix during the year, due to Auto sector slow down.
Current Ratio	1.89	1.77	-
Debt Equity Ratio	-	-	-
Operating Profit Margin (%)	8.02	5.70	Due to lower business volume and mix impacted the profits during the year.
Net Profit Margin (%)	5.88	4.00	Due to lower business volume and one off impacting profitability
Fixed assets turnover ratio	3.39	2.65	-
Working capital turnover ratio	5.19	4.92	Due to lower business volumes

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

Particulars	Standalone 2023	Standalone 2022	Consolidated 2023	Consolidated 2022
<b>Return on net worth (%)</b>	<b>14.78</b>	<b>9.23</b>	<b>13.97</b>	<b>8.96</b>

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

The focus of Learning and Development 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.

Training and development have always been our priority.

The total number of permanent salaried employees is 767, hourly permanent is 2807 as on March 31, 2023.

**CONSOLIDATED ACCOUNTS**

The Consolidated Financial Statements of the Company for the financial year 2022-23, 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**

The shareholders at the 67<sup>th</sup> Annual General Meeting (AGM) of the Company held on 20<sup>th</sup> September, 2022, appointed Deloitte Haskins & Sells, LLP Chartered Accountants, (Firm registration no. 117366W/W-100018), 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 72<sup>nd</sup> AGM of the Company to be held in the calendar year 2027.

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

**INTERNAL AUDITORS**

The Board, on the recommendation of the

Audit Committee has approved the appointment of KPMG, Chartered Accountants, as the Internal Auditors of the Company for the Financial Year ended March 31, 2023, vide its resolution dated 20<sup>th</sup> May 2022.

## **MAINTENANCES OF COST RECORDS AS PER SECTION 148 (1) OF COMPANIES ACT, 2013 READ WITH APPLICABLE RULE**

Your directors are pleased to inform you that your Company falls in criteria as specified for maintenance of cost records under Section 148 (1) Of Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 as amended from time to time. The Company has maintained proper cost records as per the provisions contained under the Companies Act, 2013.

## **COST AUDITORS**

The Board, on the recommendation of the Audit Committee has approved the appointment of Sanjay Gupta & Associates, Cost Accountants, as Cost Auditor, for the financial year ending March 31, 2024. The Cost Auditors will submit their report for the financial year ending 31<sup>st</sup> March 2023 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**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, the Company had appointed Deepika Gera, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2023.

## **ANNUAL SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed as **Annexure-7** to this report.

The Board has re-appointed Deepika Gera, Company Secretaries, New Delhi, as Secretarial Auditor of the Company for FY 2023-2024.

## **ANNUAL SECRETARIAL COMPLIANCE REPORT**

The Annual Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March 2023 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from Deepika Gera, Company Secretaries, New Delhi, and was accordingly submitted to both the stock exchanges i.e. BSE Limited and National Stock Exchange Limited.

## **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 Deepika Gera, Company Secretaries, New Delhi, forms part of this Report as **Annexure-8**.

## **ANNUAL RETURN**

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the

Company at the link:

<http://www.federalmogulgoetzeindia.net/web/.pdf>

## **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

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

## **COMMITTEES OF DIRECTORS**

The Company has following committees of Directors:

1. Audit Committee.
2. Nomination and Remuneration Committee.
3. Stakeholders' Relationship Committee.
4. Corporate Social Responsibility Committee.
5. Share Transfer Committee.
6. Risk Management Committee.
7. Committee of Independent Directors to provide reasoned recommendation(s) to the shareholders on the open offer

The composition of Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Committee of Independent Directors 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 the 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 2022-2023.

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 workplace.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

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

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

**HUMAN RESOURCES**

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

The total number of permanent salaried employees is 767, hourly permanent is 2807 as on March 31, 2023.

**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 and machinery to keep them in good condition. The 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 improving this performance year after year.

**CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)**

There is no corporate insolvency resolution process initiated by or against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC).

**DETAILS OF THE DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS**

Not Applicable.

**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**

**Vinod Kumar Hans**

Whole Time Managing Director  
DIN : 03328309

**Manish Chadha**

Whole Time Director- Finance & Chief Financial Officer  
DIN : 07195652

**Dr. Khalid Iqbal Khan**

Whole Time Director- Legal & Company Secretary  
DIN : 05253556

Date: 22<sup>nd</sup> May 2023  
Place: Gurugram



### CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2023

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

#### 2. BOARD OF DIRECTORS

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

As on 31<sup>st</sup> March 2023, the composition and category of the Board of Directors of the Company was as follow:

Sl. No.	Name of the Director	Category
1.	Mr. K.N. 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 & Chief Financial Officer
5.	Mr. Rajesh Sinha	Whole-time Director
6.	Mr. K.C.S. Pillai	Independent Director
7.	Mr. Sunit Kapur*	Non-Executive Director
8.	Mr. Stephan Shaun Merry	Non-Executive Director
9.	Ms. Nalini Jolly	Women Independent Director

Note:

\*Mr. Sunit Kapur ceased to be Director on the Board of the Company w.e.f. 31<sup>st</sup> March, 2023.

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.

There was no pecuniary relationship or business transaction by the Company with any Non-Executive Director, other than the sitting fee paid to the Independent Directors 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 2022 to 31<sup>st</sup> March 2023:**

During the FY 2022-23, four Board meetings were held as follows: -

Date of Meeting	Board Strength	No. of Directors Present in Person
20 <sup>th</sup> May, 2022	09	09
8 <sup>th</sup> August, 2022	09	07
14 <sup>th</sup> November, 2022	09	09
13 <sup>th</sup> February, 2023	09	07

Information placed before the Board:

The items placed before the Board for its approval, inter-alia, include the following, 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 the 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 the 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 judgment 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:**

- Dr. Khalid Iqbal Khan, Whole Time Director-Legal and Company Secretary and Mr. Stephen Shaun Merry, Director are liable to retire by rotation in the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.
- Dr. Khalid Iqbal Khan, aged about 54 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 30 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.
- Mr. Shaun Merry, aged about 54 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 25 years serving in various leadership roles during his tenure. He holds over 30 years of rich experience at various positions in the field of Finance, Purchasing, Sales & Marketing.

**Items regarding the re-appointments of Directors have been included in the notice of the ensuing Annual General Meeting.**

**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, 2022 to 31 <sup>st</sup> March, 2023		As on 31 <sup>st</sup> March, 2023		
		Attendance at		Number of Directorships of other Indian Companies (Note-1)	Committee Memberships of other Indian Companies (Note-2)	
		Board Meeting (Total Meetings Held-04)	Last AGM 20 <sup>th</sup> Sept. 2022		Member	Chairman
Mr. K.N. Subramaniam	CNEID	04	Yes	01	-	-
Mr. Vinod Kumar Hans	WTMD	04	Yes	01	-	-
Dr. Khalid Iqbal Khan	WTD & CS	04	Yes	01	-	-
Mr. Manish Chadha	CFO & FD	04	Yes	01	-	-
Mr. Rajesh Sinha	WTD	03	Yes	01	-	-
Mr. Sunit Kapur	NED	02	No	01	-	-
Mr. K.C.S. Pillai	NEID	04	Yes	01	-	-
Ms. Nalini Jolly	NEWID	04	Yes	01	-	-
Mr. Stephen Shaun Merry	NED	03	Yes	01	-	-

Data presented above is after taking into account the disclosures furnished by the continuing Directors in the first Board Meeting of the Financial Year 2022-23.

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 2023:

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. K.N. 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.S. Pillai	Nil	NA	NA
Ms. Nalini Jolly	Nil	NA	NA
Mr. Stephen Shaun Merry	Nil	NA	NA

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

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

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

The Board is comprised of highly qualified and experienced personalities who possess the 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:**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Core skills/ expertise/ competencies</b>
1.	Mr. K.N. Subramaniam	Around 46 years of extensive and diversified knowledge and rich experience of General Management including Indian Automotive Industry.
2.	Mr. Vinod Kumar Hans	Around 36 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 30 years of rich experience at senior level positions in the field of legal and corporate affairs.
4.	Mr. Manish Chadha	Over 23 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 27 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 (ceased to be a director w.e.f. 31st March, 2023)	Around 29 years of rich experience in Manufacturing, Engineering, Projects, TPM, Operation, Supply Chain Management and General Management.
7.	Mr. K.C.S. Pillai	Around 36 years of rich experience in steering sales and marketing functions and technical areas with various companies.
8.	Mr. Stephen Shaun Merry	Around 25 years of experience in various leadership roles during his tenure. He holds over 30 years of rich experience at various positions in the field of Finance, Purchase, Sales & Marketing.
9.	Ms. Nalini Jolly	Around 24 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

## **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 a review of the 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, the 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 viz. Mr. KCS Pillai, (Non-Executive Independent Director) as the Chairman and Mr. Krishnamurthy Naga Subramaniam (Non-Executive Independent 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.

Note: Mr. Sunit Kapur ceased to be a committee member w.e.f. 31<sup>st</sup> March, 2023.

## c) Meetings and Attendance

Details of Audit Committee Meetings held during the financial year 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023

Date of Meeting	Strength of Committee	No. of Members Present in person	No. of Members Present through conference call (Meeting held through VC/ OVAM)
20.05.2022	4	4	4
08.08.2022	4	3	3
14.11.2022	4	3	1
13.02.2023	4	3	-

Audit Committee Members Attendance during the financial year 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

Name	Designation in the Committee	Total Meetings held	No. of meetings Attended in person/ Present through conference call (Meeting held through VC/ OVAM)
Mr. K.C.S. Pillai	Chairman	4	4
Mr. K. N. Subramaniam	Member	4	4
Mr. Sunit Kapur	Member	4	4
Ms. Nalini Jolly	Member	4	4

## RISK MANAGEMENT COMMITTEE

### a) Terms of reference:

The terms of reference of the Risk Management Committee inter alia are as follows:

- Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for the same;
- Review the Enterprise Risk Management framework;
- Review the Company's risk appetite and strategy relating to key risks, including market risk, product risk, reputational risk and cyber security risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks;
- Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels;
- Review compliance with risk policies, monitor breach/trigger trips of risk tolerance limits and direct action;
- Approve major decisions affecting the risk profile or exposure and give appropriate directions;
- Generally, assist the Board in the execution of its responsibility for the governance of risk;
- Attend to such other matters and functions as may be prescribed from time to time.

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 1<sup>st</sup> April, 2019.

### c) Composition and attendance during the year:

Date of Meeting	Strength of Committee	No. of Members Present in person	No. of Members Present through conference call (Meeting held through VC/ OVAM)
09.05.2022	4	3	3
01.11.2022	4	4	4

Name	Designation in the Committee	Total Meetings held	No. of meetings Attended in person/ through conference call (Meeting held through VC/ OVAM)
Mr. Vinod Kumar Hans	Chairman	02	02
Dr. Khalid Iqbal Khan	Member	02	02
Mr. Manish Chadha	Member	02	01
Mr. K.N. Subramaniam	Member	02	02

## 5. NOMINATION AND REMUNERATION COMMITTEE

At present, the Nomination and Remuneration Committee comprises (03) Non-Executive Independent Directors viz. Mr. K.C. Sundareshan Pillai (Non-executive Independent Director) as the Chairman, Mr. Krishnamurthy Naga Subramaniam (Non-executive Independent 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.

*Note: Mr. Sunit Kapur ceased to be a committee member w.e.f. 31st March, 2023.*

### 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.

### Meetings and Attendance

#### Details of Nomination and Remuneration Committee Meetings held during the financial year 1<sup>st</sup>April, 2022 to 31<sup>st</sup> March, 2023

Date of Meeting	Strength of Committee	No. of Members Present in person	No. of Members Present through conference call (Meeting held through VC/ OVAM)
20.05.2022	4	4	4

Date of Meeting	Designation in the Committee	Total Meetings held	No. of meetings Attended in person/ through conference call (Meeting held through VC/ OVAM)
Mr. K.C.S. Pillai	Chairman	1	1
Mr. K.N. Subramaniam	Member	1	1
Ms. Nalini Jolly	Member	1	1
Mr. Sunit Kapur*	Member	1	1

\*Note: Mr. Sunit Kapur ceased to be a committee member w.e.f. 31<sup>st</sup> March, 2023.

### 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 22<sup>nd</sup> May, 2023.

### DETAILS OF REMUNERATION TO DIRECTORS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2023

Name of Executive Directors	Particulars	Amount (in Rs.)
Mr. Vinod Kumar Hans	- Salaries and Allowances	4,58,63,572
	- Company's Contribution to PF & Superannuation	13,35,840
	- Perquisites	6,31,735
	- Management Incentive Plan	0
	<b>Total</b>	<b>4,78,31,147</b>
Mr. Rajesh Kumar Sinha	- Salaries and Allowances	1,05,59,440
	- Company's Contribution to PF & Superannuation	7,98,600
	- Perquisites	0
	- Management Incentive Plan	0
	<b>Total</b>	<b>1,13,58,040</b>
Mr. Manish Chadha	- Salaries and Allowances	1,25,21,371
	- Company's Contribution to PF & Superannuation	6,94,056
	- Perquisites	0
	- Management Incentive Plan	0
	<b>Total</b>	<b>1,32,15,427</b>
Dr. Khalid Iqbal Khan	- Salaries and Allowances	1,22,97,653
	- Company's Contribution to PF & Superannuation	4,19,760
	- Perquisites	0
	- Management Incentive Plan	0
	<b>Total</b>	<b>1,27,17,413</b>

\* The above remunerations are as per the respective Form-16.

Name of Non-Executive Directors	Particulars	Amount (in Rs.)
Mr. Krishnamurthy Naga Subramaniam	Sitting Fee	11,00,000
Mr. K.C. Sundareshan Pillai	Sitting Fee	11,00,000
Ms. Nalini Jolly	Sitting Fee	11,00,000

Notes:

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

### 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. K.N. 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.S. Pillai	Member	Non- Executive Independent Director
Ms. Nalini Jolly	Member	Non-Executive Independent Director

### • Shareholders' Complaints:

Number of shareholders' complaints received	Number of shareholders' complaints not solved to the satisfaction of shareholders	Number of pending complaints
7	7	0

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 20<sup>th</sup> March, 2023 to, *inter-alia*:

- a. review the performance of non-independent directors and Board as a whole.
- b. review the performance of the independent directors and Chairperson of the Company, taking into account the views of executive directors and non-executive directors.
- c. review the performance of the committees of the Board.
- d. assess the quality, quantity and timeliness of the 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.



## ANNUAL GENERAL MEETINGS

Year	Location	Date & Time	Whether any special resolution passed
65 <sup>th</sup> Annual General Meeting	Held 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 was deemed to be the venue of the meeting	22 <sup>nd</sup> September, 2020	<ul style="list-style-type: none"> <li>- Re-appointment of Mr. K. N. Subramaniam (DIN: 00041843) as Independent Director for a Second Term</li> <li>- Re-appointment of Mr. K.C.S. Pillai (DIN: 06846949) as Independent Director for a Second Term</li> </ul>
66 <sup>th</sup> Annual General Meeting	Held 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 was deemed to be the venue of the meeting	27 <sup>th</sup> September, 2021	<ul style="list-style-type: none"> <li>- Re-Appointment of Dr. Khalid Iqbal Khan (DIN: 05253556) as Whole-Time Director - Legal &amp; Company Secretary of the Company including terms of appointment.</li> </ul>
67 <sup>th</sup> Annual General Meeting	Held 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 was deemed to be the venue of the meeting	20 <sup>th</sup> September 2022	<ul style="list-style-type: none"> <li>- Re-appointment of Ms. Nalini Jolly (DIN: 08520132) as an Independent Director for the Second Term</li> <li>- Approval of enhancement of tenure of Mr. K.C.S. Pillai (06846949) as an Independent Director on the Board of the Company</li> <li>- Re-appointment of Mr. Vinod Kumar Hans (03328309) as the Whole-Time Managing Director of the Company with effect from January 1, 2022 including terms of re-appointment thereto</li> <li>- Re-appointment of Mr. Rajesh Sinha (07358567) as a Whole-Time-Director of the Company with effect from January 1, 2022 including terms of Re-Appointment thereto</li> <li>- Re-Appointment of Mr. Manish Chadha (07195652) as the CFO &amp; Whole-Time Director-Finance of the Company with effect from February 5, 2022, including terms of Re-Appointment thereto</li> </ul>

**Postal Ballot:** No resolution has been passed as special resolution through postal ballot during the financial year ended 31<sup>st</sup> March 2023. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

## 9. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

## 10. MEANS OF COMMUNICATION

Results	<p>Quarterly/Half-Yearly/Yearly Financial Results of the Company were considered and approved by the Directors and the same were communicated to Stock Exchanges. During the year under review, these results were generally published in one English Daily i.e. Financial Express (all edition) and one Hindi Daily i.e. Jansatta, Delhi. The news releases, if any, were communicated to the stock exchange in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>The results are available on the Company's website at <a href="http://www.federalmogulgoetzeindia.net">www.federalmogulgoetzeindia.net</a>. All the official news releases are made available at the website.</p>
Whether presentations were made to Institutional Investors or to the analysts?	Yes, the Company held Investors' /Analysts' Call on 24 <sup>th</sup> May, 2022 and 11 <sup>th</sup> August, 2022 during the financial year ended 31 <sup>st</sup> March, 2023.

## 11. GENERAL SHAREHOLDER INFORMATION

a. 68 <sup>th</sup> Annual General Meeting:	
- Date and Time	23 <sup>rd</sup> August, 2023 at 11:00 A.M.
- Mode/Venue	Through Video Conferencing (VC)/Other Audio Visual Means(OAVM) Company's Registered Office i.e. DLF Prime Towers, 10 Ground Floor, F-79 & 80, Okhla Phase - I, New Delhi – 110020 will be deemed to be the Venue for the purpose of this Annual General Meeting.
b. Financial Year	Commencing from 01 <sup>st</sup> April and ending on 31 <sup>st</sup> March.
c. Financial Calendar (Tentative)	
- Results for the quarter ending June 30, 2023	Second week of August 2023
- Results for the quarter/half year ending September 30, 2023	Second week of November 2023
- Results for the quarter/period ending December 31, 2023	Second week of February 2024
- Results for the quarter/year ending March 31, 2024	Second week of May 2024
- Annual General Meeting for the financial year ending March 31, 2023	23 <sup>rd</sup> August, 2023
d. Book Closure date	Commencing on 17 <sup>th</sup> August and ending on 23 <sup>rd</sup> August.
e. Listing on Stock Exchanges	<p><b>BSE Limited</b> Phiroze JeeJee Bhoy Towers, Dalal Street, Mumbai-400001</p> <p><b>The National Stock Exchange of India Ltd.</b> Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai 400051 (See Note)</p>
f. Stock Code	BSE Limited – 505744 National Stock Exchange - FMGOETZE
ISIN No.- NSDL	INE 529A01010
- CDSL	INE 529A01010

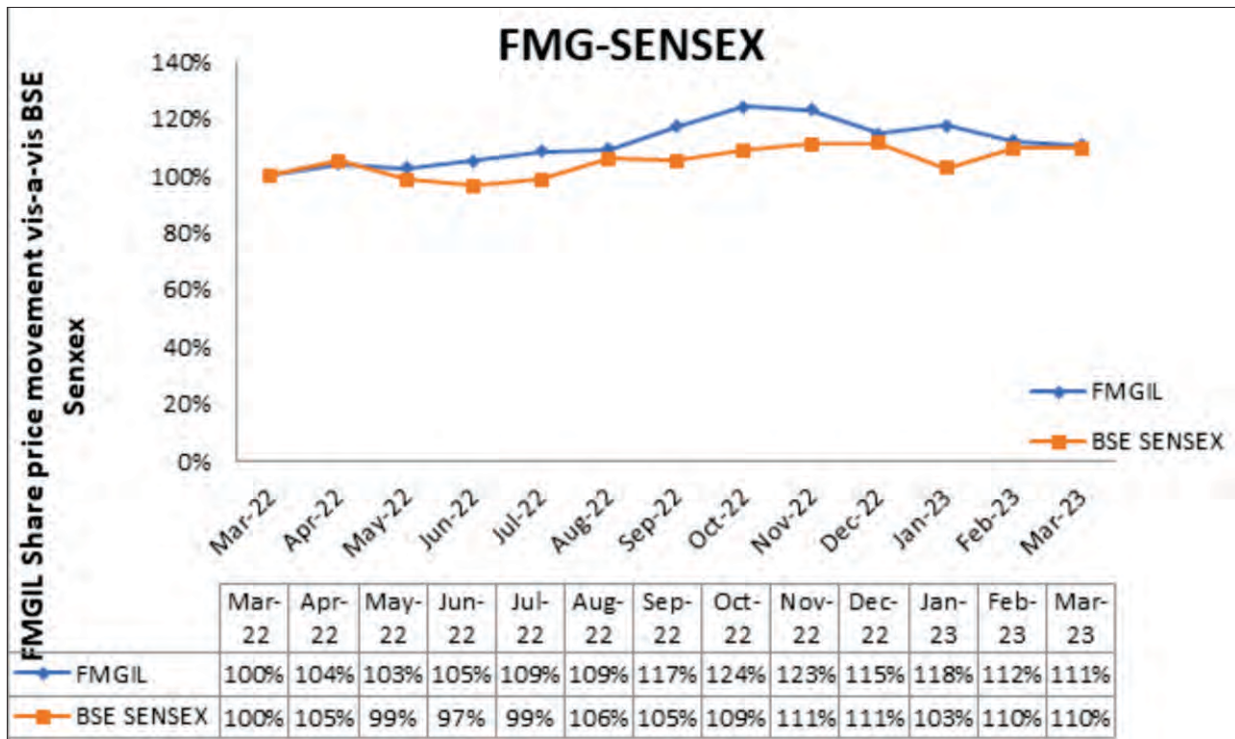
Note: Listing Fees for the year 2022-2023 has already been paid to both, BSE Limited and National Stock Exchange of India Limited. Annual custodian charges of Depository have also been paid to both NSDL and CDSL.

## g. Stock Market Data\*

Month	Bombay Stock Exchange, Mumbai				National Stock Exchange, Mumbai			
	Federal-Mogul Goetze (India) Limited's Share Price		Sensex		Federal-Mogul Goetze (India) Limited's Share Price		CNX Nifty	
	(Rs.)				(Rs.)			
	High	Low	High	Low	High	Low	High	Low
Apr-22	286.5	266.2	60,845.10	56,009.07	287.00	265.10	18,114.65	16,824.70
May-22	278.9	265.3	57,184.21	52,632.48	274.90	265.50	17,132.85	15,735.75
Jun-22	292	266.3	56,432.65	50,921.22	292.50	270.25	16,793.85	15,183.40
Jul-22	303.5	272.55	57,619.27	52,094.25	303.80	277.55	17,172.80	15,511.05
Aug-22	294.85	284	60,411.20	57,367.47	294.95	284.00	17,992.20	17,154.80
Sep-22	334	288.85	60,676.12	56,147.23	334.00	288.05	18,096.15	16,747.70
Oct-22	347.65	310.25	60,786.70	56,683.40	347.50	310.20	18,022.80	16,855.55
Nov-22	350	302	63,303.01	60,425.47	350.00	304.00	18,816.05	17,959.20
Dec-22	322	286	63,583.07	59,754.10	321.95	298.00	18,887.60	17,774.25
Jan-23	325	298.1	61,343.96	58,699.20	319.90	299.05	18,251.95	17,405.55
Feb-23	307.05	285	61,682.25	58,816.84	307.40	296.45	18,134.75	17,255.20
Mar-23	317.40	294.95	60,498.48	57,084.91	317.00	301.00	17,799.95	16,828.35

\* 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 BSE Sensex average monthly price considering March 2022 as base month

## i. Share Transfer System

Alankit Assignments Limited, RTA Division, 'Alankit Heights' 4E/2, Jhandewalan Extension, New Delhi 110055 is acting as the Registrar and Transfer Agent for the Equity Shares of the Company, w.e.f. 1<sup>st</sup> May 2005 to provide services in both Physical and Electronic Mode.

- The authority relating to share transfers, transmission, subdivision, consolidation, renewal, exchanges, and 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 83 times during the financial year 2022-23 for approving transfers, transmission etc.
- Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate for the year ended on 31<sup>st</sup> March, 2023, 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 year ended 31<sup>st</sup> March, 2023, 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 31/03/2023

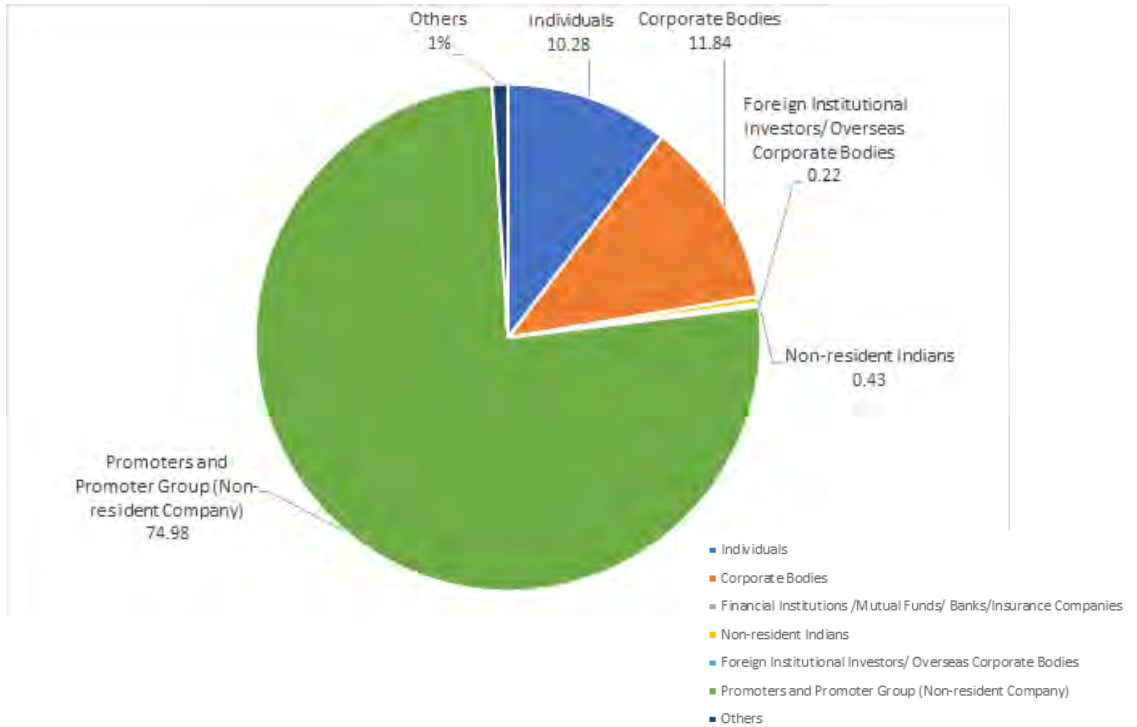
### A] On the basis of shares held

No. of shares	No. of share holders	Percentage to total Shareholders	No. of shares held	Percentage to total shares held
Upto 5000	25632	99.35	4177758	7.51
5001 – 10000	76	0.29	572609	1.03
10001 – 20000	44	0.17	623810	1.12
20001 – 30000	15	0.06	379074	0.68
30001 – 40000	10	0.04	349540	0.63
40001 – 50000	2	0.01	87000	0.16
50001 -100000	9	0.03	567831	1.02
Above 100000	12	0.05	48874508	87.85
<b>TOTAL</b>	<b>25800</b>	<b>100</b>	<b>55632130</b>	<b>100</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	25295	94.88	5717079	10.28
Corporate Bodies	255	0.95	6588419	11.84
Financial Institutions /Mutual Funds/ Banks/Insurance Companies	5	0.01	798068	
Non-resident Indians	373	1.40	244514	0.43
Foreign Institutional Investors/ Overseas Corporate Bodies	3	0.01	1050	0.22
Promoters and Promoter Group (Non-resident Company)	2	0.01	41715454	74.98
Others	728	2.73	568596	1.02
<b>TOTAL</b>	<b>26658</b>	<b>100</b>	<b>55632130</b>	<b>100</b>

## Distribution of Shares of Federal- Mogul Goetze (India) Limited (As on 31/03/2023)



### k. Dematerialization of shares and Liquidity

As on 31<sup>st</sup> March 2023, 99.3369% of the Equity Capital of the Company have been dematerialized. The shares of the company are traded on BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai and have good liquidity.

### l. Outstanding GDR's / ADR's / Warrants Or any convertible instruments, conversion date and likely impact on equity

None

### m. Disclosure on Commodity price risks or Foreign Exchange risk and hedging activities

Not Applicable

### n. Plant Locations:

- |                                       |  |  |
|---------------------------------------|--|--|
| 1. Bahadurgarh<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) |
|---------------------------------------|--|--|

### o. Corporate office:

10<sup>th</sup> Floor, Tower B, Paras Twin Towers,  
Sector-54, Golf Course Road,  
Gurugram, Haryana – 122002, India.  
Tel No: +91 124 478 4530

### Registered office:

DLF Prime Towers, 10 Ground Floor,  
F-79 & 80, Okhla Phase - I, New Delhi - 110020  
Tel No: +91 11 4905 7597  
e-mail: [investorgrievance@tenneco.com](mailto:investorgrievance@tenneco.com)  
Website: [www.federalmogulgoetzeindia.net](http://www.federalmogulgoetzeindia.net)

**p. Registrar and Share Transfer Agent**

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

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

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

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

**s. Grievance Redressal :** Mr. Abhishek Nagar

Email ID – investorgrievance@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 (along with any revisions thereto during the financial year 2022-23, for all debt instruments of such entity or any fixed deposit program 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+; (Stable) (Single A Plus; Stable)
Short term Bank Facilities	CARE A1+ (A One Plus)

**13. DISCLOSURES**

<ul style="list-style-type: none"> <li>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</li> </ul>	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 2023.
<ul style="list-style-type: none"> <li>Details of number of Shares &amp; Convertible Instruments held by Non-Executive Directors.</li> </ul>	As on date, no Non-Executive Directors holds any share in the company.
<ul style="list-style-type: none"> <li>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.</li> </ul>	All applicable compliances were duly met.
<ul style="list-style-type: none"> <li>Details of establishment of Vigil mechanism/ Whistle blower policy, and affirmation that no personnel have been denied access to the audit committee.</li> </ul>	The Company has established the Vigil mechanism/ Whistle blower policy. The policy is also available on the website <a href="http://www.federalmogulgoetzeindia.net/web/documents/WhistleBlowerpolicy1.pdf">http://www.federalmogulgoetzeindia.net/web/documents/WhistleBlowerpolicy1.pdf</a> of the Company. Further, no person was denied access to the Audit committee.



<ul style="list-style-type: none"> <li>Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>As on date, the Company is in full compliance with the requirements of SEBI (Listing Obligations &amp; Disclosure Requirements) Regulations, 2015, including the following: <ol style="list-style-type: none"> <li>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.</li> <li>Separate posts of Chairman and CEO: The Company has appointed non-executive Independent Directors as Chairman.</li> <li>Reporting of Internal Auditors: The internal auditors report to the Audit committee directly.</li> </ol> </li> </ul>
<ul style="list-style-type: none"> <li>Details of Familiarization programme for Independent Directors</li> </ul>	<a href="http://federalmogulgoetzeindia.net/web/documents/Details_of_FM_Program1.pdf">federalmogulgoetzeindia.net/web/documents/Details of FM Program1.pdf</a>
<ul style="list-style-type: none"> <li>Policy on Related Party Transaction</li> </ul>	<a href="http://federalmogulgoetzeindia.net/web/documents/POLICY_ON_RELATED_PARTY_TRANSACTION.pdf">federalmogulgoetzeindia.net/web/documents/POLICY ON RELATED PARTY TRANSACTION.pdf</a>
<ul style="list-style-type: none"> <li>Policy for determining 'material' subsidiaries</li> </ul>	<a href="http://www.federalmogulgoetzeindia.net/web/documents/Policy%20for%20determining%20Material%20Subsidiary_Final_13thFeb2023.pdf">http://www.federalmogulgoetzeindia.net/web/documents/Policy%20for%20determining%20Material%20Subsidiary_Final_13thFeb2023.pdf</a>
<ul style="list-style-type: none"> <li>Disclosure on Commodity price risks or Foreign Exchange risk and hedging activities</li> </ul>	Not Applicable
<ul style="list-style-type: none"> <li>Prevention of insider trading</li> </ul>	<a href="http://federalmogulgoetzeindia.net/web/documents/FMGIL-CoC_Insider_trading-12Nov2020.pdf">federalmogulgoetzeindia.net/web/documents/FMGIL-CoC Insider trading-12Nov2020.pdf</a>
<ul style="list-style-type: none"> <li>Details of the utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).</li> </ul>	NA
<ul style="list-style-type: none"> <li>Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof</li> </ul>	NA
<ul style="list-style-type: none"> <li>Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 <ol style="list-style-type: none"> <li>a number of complaints filed during the financial year</li> <li>number of complaints disposed of during the financial year</li> <li>the number of complaints pending as of end of the financial year</li> </ol> </li> </ul>	NIL
<ul style="list-style-type: none"> <li>Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount</li> </ul>	NIL
<ul style="list-style-type: none"> <li>Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries</li> </ul>	Material Subsidiary Name: Federal-Mogul TPR (India) Limited Place of Incorporation: ROC, NCT Delhi & Haryana Statutory Auditor: Deloitte Haskins & Sells LLP, having firm registration no. 117366W/W-100018 Date of Appointment of Statutory Auditor: 8 August, 2022
<ul style="list-style-type: none"> <li>Disclosures with respect to demat suspense account/unclaimed suspense account</li> </ul>	Not applicable

**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 2022-23	
		Standalone Rupees in Lacs	Consolidated Rupees in Lacs
1.	Statutory Audit Fee, Limited Reviews and Tax Audit Fee	65	75.80

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 31<sup>st</sup> March, 2023 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 of  
Federal-Mogul Goetze (India) Limited****Vinod Kumar Hans**

Whole Time Managing Director

DIN : 03328309

**Manish Chadha**

Whole Time Director- Finance &amp;

Chief Financial Officer

DIN : 07195652

**Dr. Khalid Iqbal Khan**

Whole Time Director- Legal &amp;

Company Secretary

DIN : 05253556

Date: 22<sup>nd</sup> May 2023

Place: Gurugram

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

**The Members of Federal-Mogul Goetze (India) Limited**

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

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

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 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.

<b>S.No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment in Company</b>
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	05253556	22/05/2015
5	SUNDARESHAN KANAKKU CHEMBAKARAMAN PILLAI	06846949	16/12/2016
6	MANISH CHADHA	07195652	05/02/2016
7	RAJESH SINHA	07358567	01/01/2016
8	NALINI JOLLY	08520132	13/08/2019
9	STEPHEN SHAUN MERRY	08749114	26/06/2020

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

**For DEEPIKA GERA, Company Secretaries**

**DEEPIKA GERA**

**FCS: 3531**

**C.P. No. : 7487**

**Peer Review No. 2081/2022**

**UDIN No. F003531E000230881**

**Place: New Delhi**  
**Date: 1<sup>st</sup> May, 2023**

**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 31<sup>st</sup> March, 2023.

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: 22<sup>nd</sup> May 2023

### FEATURES OF NOMINATION AND REMUNERATION POLICY OF THE COMPANY

- 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>.

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

Pursuant to clause (m) of sub-section (3) of section 134 of the Companies Act, 2013 and Companies (Accounts) Rules, 2014

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

- Energy Audits were conducted;
- In-process of EnMS certification
- Upgradation of 10 MVA transformer – Pistons
- Installation of APFC Panel in Rings for conservation of energy
- Installation of smart meters being initiated
- Higher capacity motors and devices drawing higher energy are being replaced with latest higher energy efficient motors.
- Monitoring of energy, power factor and controlling to save energy;
- Internal energy audits were conducted & DD HMT grinder 30hp motor replaced with 15 hp motor;
- The facility upgraded to the latest technology of LED lighting system as a part of energy conservation program;
- Energy Efficient Compressors are in use efficiently.
- Compressed Air Energy Efficient Nozzles are being put at manufacturing operations to reduce the load on compressors;
- Upgradation of Electrical panels and improvement of Power Factor improvements & Harmonics for Plating Baths & working fine;
- Usage of Natural Lighting by Installation of Sky lamps at Roofing. Poly Carbonate transparent sheets installed in shop floor roof for natural lighting. Infrastructure improvement done to provide windows in offices and transparent roofing sheets to use day light and reduce light usage in daytime.
- 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 consumption 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;
- Upgradation of STP, ETP and ACWTP completed for conservation of energy;
- Conservation of energy by installing thyristor drivers in Heat treatment furnaces, available in all HT furnaces;
- Adequate planning of production was in line with the specific power consumption required for generation of product;
- Upgradation of Energy Efficient induction/ Holding furnaces for melting activities like replacing ABP furnace with Junker Furnace & upgrading of Pillar-D induction furnace;
- Energy saving logics are introduced in machines, which switches off the hydraulics or the machines during the idle times;
- Variable frequency drives (VFD's) are installed to higher capacity motors to reduce energy;
- Relay outing of the machines to isolate the usage of deducting units consuming high energy and isolation of such devices;
- Adequate maintenance to avoid leaks of compressed air & this is being monitored periodically & air demand controller is installed.
- Temperature cut-off to all the plating baths to avoid overheating and consumption of electricity;
- Upgradation of substation incoming transformer to reduce internal loss and transformers are well maintained with periodic check;
- Capacity study & replacing of suitable energy efficient motors as per process suitability to reduce power consumption.
- Replacing of conventional holding furnaces with energy efficient feature;
- Line pressure has been minimized from 6 bar to 3 bar pressure as per process requirement in Piston Foundry;
- Installed Nitrogen injected fire protection system (NIFPS) for main distribution transformer;
- Replacing outdated distribution panel with upgraded version in a phase manner, outdated main transformer control panel has been replaced with enhanced safety system
- Installing Energy efficient electrical appliances like AC's, Fans, Coolers, Chillers, AHU. etc., Replacement of old AC with Five-star rating AC. Switching off lights / fans / Motors/ compressors in interval time;
- Installation of separate compressed air aluminum pipeline with flow meter for Piston and Ring to monitor and improve compressed air usage;
- Modification in compressed air distribution lines with separate valves for each working area to reduce pressure drop hence saving in energy;
- Replacement of old oil circuit breakers with Vacuum circuit breakers thus reduction in losses;
- Regular audit of compressed air leakages points, implementation and monitoring;



- Electrical Power system improvement which results in reduction in breakdown and less working of DG thus saving in HSD cost;
- Initiative taken to install Energy efficient pumps;
- Aluminum work initiated to improve office infrastructure and to reduce the number of working ACs by merging offices;
- Continuously maintaining of Plant power factor > 0.995 thus saving in electricity and reduction in losses;
- Replaced old capacitor panel of Ring Machine shop with APFC panel;
- Installed 30 KW VFD on three Dedusting Unit;
- Removed five Pumps of 3.7KW from Rotary Bath Cooling System;
- Installed VFD on Spindle motor of BESLEY Grinder;
- Replaced 11-watt machine lamps with 6-watt LED lamps on 20 machines;
- Provided Motion Sensors on Gangway, Worker Locker Room, Washroom lights;
- Effective Shut Down program during No Part order /breaks/weekend;
- PLC programming is done to enable sleep mode or power OFF on 15 Honing machines;
- Auto shut off valves provided for compressed air line on ten machines;
- Replaced old, centralized AC unit of RMS offices with 5star individual AC units;
- Replaced old relay logic electrical panels with PLC panels;
- Automation done on sand plant to switch OFF belt if there is no sand in hopper;
- Re-layout of Dedusting in Ring Foundry to optimize the Dedusting uses;
- Auto OFF timer is provided on assorting device motors;
- Monthly checking and correction of Compressed air and hyd. oil leakages points;
- Six Capacitors replaced in Compressor room thus improving Power Factor;
- Very Old non-operational protection relays 45 nos. replaced across the plant to reduce power losses by isolating each section;
- All 45 Nos. VCBs across the plant got tested to reduce power distribution losses and reduction in breakdown;
- Monthly checking and fixing of Compressed air Leakages Points;
- Monthly distribution Terminals/ Thimble checking & fixing of hot spot power;
- Installed 20HP VFD on Tin Coating Fume Extraction System and Phosphating Fume Extraction System;
- Removed 5HP Hydraulic Power Pack on FB 43 Machine by replacing Hydrodynamic Spindle Unit;
- Installed 5HP VFD on Feed Motor of WB-II Rough Boring Machine;
- Installed Refrigerated Air Dryer on Compressed Air Supply to PMS;
- Provided Servo voltage stabilizer supply to Bi wheeler Shop & Inspection;
- Retrofitting of PARUSUDH Machine with FANUC Oi-Tf Control with high efficiency drive system;
- Retrofitting of FEMCO Machine with FANUC Oi-Tf Control with high efficiency drive system, pump energy back into the power line & reduced power consumption;
- Replacement of LAL F/B with ACE F/B with FANUC Oi-Tf Control with high efficiency drive system, pump energy back into the power line & reduced power consumption
- Replacement of Finish Grooving with ACE F/B with FANUC Oi-Tf Control with high efficiency drive system, pump energy back into the power line & reduced power consumption
- Replaced several 10HP Centrifugal Pump with 7.5 HP Grundfos Pump resulting in saving of energy
- Transformer oil leakages plugged
- Replacement of old high rating motors with energy efficient motors.
- Planning of production was in line with the specific power consumption required for manufacturing of product;
- Maintenance for energy saving by avoiding leaks of compressed air, this is being monitored periodically through installation of air demand controller.

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

- The facility uses 90% of Wheeling Energy (Wind/Hydro/Solar) resulting in reduction of GHG gases;
- The facility is upgraded for PNG gas from traditional LPG;
- Optimum usage of natural roof Lighting in the shop floor.
- Green building concept by installing day sky lights, glass window in offices for lights and good ventilation system for natural lights to reduce power usage;
- Roof sun light sheets in new buildings with turbo ventilator system; and

- HSD furnaces converted to PNG.
- LPG furnace converted to PNG

**c) Capital investment on energy conservation equipment: Nil**

**d) Impact of the above measures**

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

**B. TECHNOLOGY ABSORPTION**

**i) The efforts made towards technology absorption:**

- a. Thermography audits conducted on to find out electrical leakages in electrical systems;
- b. Replacing of outdated switch gears with new technology switch gears;
- c. Introduction of Harmonic study to reduce the power factor at plating baths;
- d. Upgradation of outdated Contactors type electrical control machine panel to PLC logic type electrical control panel; and
- e. Installed Nitrogen injected fire protection system (NIFPS) for main distribution transformer.

**The customers are demanding optimized weight, friction reduction & enhanced durability designs, FM India team successfully applied the following Tenneco Global technologies:**

1. Introduction of pattern coating on piston skirt
2. Introduction of advanced Elasto-Oval 2 architecture piston design
3. Upgradation of analysis software
4. Introduction of 'lower side sharp edge grinding feature' on piston rings
5. Online training of engineers both in product and process development from the global team
6. Inner rings supply to Manitowac, USA
7. Sample submission for Briggs & Stratton, Manitowac for Dia 68.263.
8. Casting blanks supply to Manitowac for Three part numbers
9. The Company has successfully absorbed the technology for the manufacturing of piston assembly conforming to BS VI & CAFE norms for Gasoline/Diesel/CNG applications.
10. Running of Napier rings on CNC ADA and CKS rings category for existing customers.
11. Development of low weight thin section forge pistons for motor bike applications.
12. Implementation of High Strength Alloys (G91) for diesel pistons.
13. Started Pisdyn analysis for secondary motion analysis.
14. Introduction of PRiME 3D® analysis for piston ring design optimization
15. Numerical analysis simulation started for material forming of forge pistons.
16. Implementation of premium friction coatings (AV15, AV21 & AV19) for diesel & gasoline pistons.
17. Low wall thickness casting manufacturing purging with Argon gas.
18. X-ray machine installation to verify the internal casting defects.
19. Eddy current machine installed for checking the pin material defect.
20. Skirt Pattern coating developed for low friction.
21. Circlip mounting machine installed for passenger car application.
22. Vision camera system installed for pattern coating verification.
23. Semi mutli gauging machine installed for passenger car applications.
24. Piston conrod assembly machine installed for Maruti application.
25. Development of Piston with raised cooling gallery.
26. Development of fully machined pistons crown for typical gasoline direct injection (GDI) engines
27. Forged pistons developed for High speed & higher displacement Motor cycle application.
28. Gallery Cooled Gasoline Pistons were developed for the Euro 7 application
29. Carboglide rings were developed
30. Thin wall section Elastoval II Hybrid Pistons were developed
31. Gudgeon Pins with DLC coating were developed
32. Sample submission for 12 shim parts
33. Casting blanks supply to ASSO WERKE3. inner rings supply to Manitowac, USA

34. Sample submission for Briggs & Stratton, Manitowac for Dia 68.263.
35. Introduction of auto inspection instead of manual inspection in Valve seat value stream.
36. Upgradation of Component loading from manual to auto on grinding machine.
37. Significant productivity improvement on grinding machine by optimize of grinding pass.
38. Introduction of low. cost effective Valve seat compaction press (1 45 Ton & 60 Ton)
39. Productivity improvement on Dorst-50 I Valve Seat compaction press by introducing 3 cavity.
40. Introduction of UF with RO in STP and reusing STP treated water in cooling tower.
41. Introduction of dual fuel kit on 810 and 1500 KVA Genset.
42. Introduction of PNG instead of LPG on sintering furnaces.

**ii) Benefits derived like product improvement, cost reduction, product development or import substitution**

- Pattern coating on piston skirt helps to reduce friction and reduction in fuel consumption in gasoline engines;
- Piston architecture of 'Advanced Elasto Oval-2' technology helps to reduce weight/ friction without compromising on the piston durability/ performance;
- Lower side sharp edge grinding feature introduced as import substitute, by localizing the rings;
- Energy cost savings by replacing energy efficient motors & LED lighting fixtures. Energy efficient motors shall be installed wherever required;
- Cost savings by relaying the machines, hence isolating the additional auxillary devices;
- Energy cost savings by additional installations of variable frequency drive to the motors;
- Plating time reduction through process optimisation in fully in laid rings;
- Productivity improvement on CNC ADA machines by increasing number of rings from 8 to 10;
- Cost reduction through boring elimination in two-part numbers;
- Introduction of new products to the market;
- Better performance in terms of emission outputs, fuel consumption and lube oil consumption.
- Development of new business.
- Customer satisfaction
- O Mark elimination for semi-in – laid ring
- 100% dimension & visual auto inspection for valve seats.
- Productivity improvement by introduction of auto loading system on side face valve seat grinding machine and by introduction of 3 cavity valve seat compaction.
- Capacity increase by install cost effective 45 ton and 60-ton valve seat compaction press
- Energy cost savings by replacing energy efficient motor.
- Water saving by introduction of UF with RO in STP
- Oil saving by time-based lubrication replaced with lubrication based on no. of parts in the machine.
- Cost saving & reduction in carbon emission by introduction of dual fuel kit on 810 and 1500 KVA Genset
- Cost saving by use of PNG instead of LPG on sintering furnaces.

**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 – refer table below
- b) Year of import – refer table below,
- c) Whether the technology been fully absorbed - No
- d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - PSA line machines are more than 2 decades old & lot of repairs is required to run. We imported these machines towards the end of December 2022, and it is expected to be fully implemented in at least 3-4 months.

<b>Import of Technology for the last 5 years</b>			
<b>Technology</b>	<b>Imported from</b>	<b>Year of Import</b>	<b>Status</b>
D-Lite	Germany	2017	Implemented
Elastoval II	Germany	2017	Implemented
GDC 60®	Germany	2018	Implemented
Dura Bowl	Turkey	2019	Implemented
Piston with bush fitting	Turkey	2019	Implemented
G91 Alloy	Germany	2020	Implemented
Ell Piston casting cell	Germany	2021	Implemented
Gallery Cooled Gasoline Piston	Germany	2021	Implemented
Low axial height 2 <sup>nd</sup> and LKZ® Oil ring	Germany	2021	Implemented
Advanced Elasto-oval 2 piston architecture	Germany	2021	Implemented
Pattern coating on piston skirt	Germany	2022	Implemented
Lower side sharp edge grinding feature for Compn. rings	Germany	2022	Implemented
Chinese Axial grinding machine	China	2019	Implemented
Waviness checking Instrument	Germany	2020	Implemented
Chinese Axial grinding machine for rings	China	2019	Implemented
Oval pin bore machine for gasoline pistons	China	2019	Implemented
Fanuc Robo drilling machine for crown milling & lube slot for gasoline pistons	Japan	2020	Implemented
MFGD2 casting cell for Elastoval -2 type pistons with argon purging arrangement	Germany	2021	Implemented
2D ultrasonic robotic machine for light vehicle diesel pistons	Germany	2021	Implemented
Fanuc Robo drilling machine for lube slots for gasoline pistons	Japan	2021	Implemented
BS 6 Rings	India	2022	Implemented
GDC60 – Daimler	Germany	2021	Implemented
Forged Pistons	India	2023	Implemented
Piston Crown Complex Geometry (Machining)	Germany	2022	Implemented
Carbo Glide Rings	Germany	2022	Implemented
Transfer of Automatic machining line for PSA piston	Germany	2022	Under Installation
Ring Grooving machine	Korea	2022	Under Installation
Salt core flushing mac	Korea	2022	Under Installation
Transfer of Salt core washing machine	Germany	2022	Under Installation
Fanuc Robo drilling machine for lube slots for gasoline pistons	Japan	2022	Implemented
GI-100	USA	2022	Implemented

**iv) The expenditure incurred on Research and Development (R&D): - Rs. 5,72,05,602/-.**

### **C. FOREIGN EXCHANGE EARNINGS & OUTGO**

**1. Foreign exchange earned: Rs. 1,18,05,49,877/-**

**2. Foreign exchange utilized: Rs. 2,28,79,37,644 /-**

**ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2022-23 PURSUANT TO RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014**

**1. Brief outline on CSR Policy of the Company:**

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 endeavour 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

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vinod Kumar Hans, Chairman	Managing Director	01	01
2.	Mr. K.N. Subramaniam, Member	Independent Director	01	01
3.	Dr. Khalid Iqbal Khan, Member	Whole-time Director Legal & Company Secretary	01	01
4.	Mr. K.C. Sundareshan Pillai, Member	Independent Director	01	01
5.	Ms. Nalini Jolly, Member	Independent Director	01	01

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

**The Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are available on the website of the Company at:** [http://www.federalmogulgoetzeindia.net/web/manage\\_committee.htm](http://www.federalmogulgoetzeindia.net/web/manage_committee.htm)

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

<http://www.federalmogulgoetzeindia.net/web/.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)- Not Applicable
5. Average net profit of the Company as per Section 135(5): Rs. 36,65,37,022/-
- (a) Two percent of average net profit of the company as per section 135(5): Rs. 73,30,740/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable
- (c) Amount required to be set off for the financial year, if any: Rs. 7,77,526/-
- (d) Total CSR obligation for the financial year [(a) + (b) + (c)]: Rs. 65,53,214/-
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs. Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
			Name of the		
	Amount	Date of transfer	Fund	Amount	Date of transfer
73,30740/-	Nil	N.A.	PM CARES	10,76,777/-	12 <sup>th</sup> May 2023

6.(a) Details of CSR amount spent against **ongoing projects** for the financial year: Not applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent for the project (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency
				State District						Name CSR Registration number

6.(b) Details of CSR amount spent against other than ongoing projects for the financial year:

(Rs. in lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency
				State District			Name CSR Registration number
1.	Ghar Angna School	Promotion of Education	Yes	Haryana Gurgaon	8,54,352	Yes	Direct NA
2.	Prayas	Promotion of Education	Yes	Delhi Delhi	4,97,700	Yes	Direct NA

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in Rs.)	(7) Mode of implementation-Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
				3.	Vidya			Employment enhancing skills and Promotion of Education	Yes
4.	School Uniform for Deaf & Blind Students for both seasons (Summer & Winter) - Society for Welfare of handicapped	Promotion of Education	Yes	Punjab	Patiala	3,51,462	Yes	Direct	NA
5.	Artificial Limbs	Promoting Healthcare	Yes	Haryana	Gurgaon	2,46,592	Yes	Direct	NA
6.	Local School Support	Promotion of Education	Yes	Haryana	Gurgaon	4,76,787	Yes	Direct	NA
7.	Setting up of Motor parts Training workshop & Silai Centre at Remand House	Employment enhancing skills	Yes	Karnataka	Bangalore	5,74,182	Yes	Direct	NA
8.	Anand Ashram	Promotion of Education	Yes	Haryana	Gurgaon	5,27,000	Yes	Direct	NA
9.	Akhil Bhartiya Netrahin Sangh	Promotion of Education	Yes	Delhi	Delhi	4,40,000	Yes	Direct	NA
10.	Football Team uniform	Training to promote sports	Yes	Haryana	Faridabad	54,835	Yes	Direct	NA
11.	Tree Plantation	Ensuring Environmental Sustainability	Yes	Haryana	Gurgaon	60,000	Yes	Direct	NA
12.	School Students Fee	Promotion of education	Yes	Haryana	Gurgaon	1,17,000	Yes	Direct	NA
13.	Implementation, monitoring, and evaluation of CSR Projects					145,31,853	NA	NA	NA
14.	Contribution to PM CARES Fund					1510,76,777	NA	NA	NA
15.	Last year excess spending					7,77,526	NA	NA	NA
16.	<b>TOTAL</b>					<b>73,30,740</b>			

(b) Amount spent on Administrative overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Not applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 73,30,740/-



(e) Excess amount for set off, if any: Not applicable

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per Section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or Activities of the previous financial years, if any-	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. Details of Unspent CSR amount for the preceding three financial years: Not applicable

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):  
Not applicable

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

Sd/-

**Vinod Kumar Hans**

**(Managing Director & Chairman of CSR Committee)**

**DIN: 03328309**

**Place: Gurgaon**

**Date : 22<sup>nd</sup> May 2022**

## 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.

**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)

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Name of the subsidiary	Federal-Mogul TPR (India) Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
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	13,612.40
6.	Total assets	16,690.12
7.	Total Liabilities	16,690.12
8.	Investments	NIL
9.	Turnover (Net of excise/GST)	10,799.30
10.	Profit before taxation	1,522.08
11.	Provision for taxation	193.32
12.	Profit after taxation	1,328.76
13.	Proposed Dividend	865
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:** Federal-Mogul TPR (India) Limited is a Joint Venture Company as well as a Subsidiary of the Company. The information in Part "A" above shall apply for Part "B" as well, hence it's not being repeated. There is no Associate Company as on 31<sup>st</sup> March, 2023.

 Date: 22<sup>nd</sup> May 2023

**Form No. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2023**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members,

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by (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 my 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, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 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:

I 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, 2023 according to the provisions of, as amended from time to time:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **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 and Sweat Equity shares) Regulations, 2021– **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 Non-Convertible Securities) Regulations, 2021 -**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, 2021 - **Not applicable as the Company has not delisted / proposed to delist its equity shares during the year under review; and**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- **Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the year under review.**

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and the Listing Agreements entered into by the Company with Bombay stock exchange Limited and National Stock Exchange Limited 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 the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

It is further reported 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 notices were 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 decisions were carried through. Dissenting members' view were not required to be captured and recorded as part of the minutes as there was no such instance.
- 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.

Few suggestions were made to the Company during the audit which were diligently carried out by the Company under the review period itself.

I further report that, the Compliance by the Company of the applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

I report further that, during the period under review, the Board of Directors in their meeting held on 13th February, 2023 took note of the Constitution of a Committee of Independent Directors to provide reasoned recommendation(s) to the shareholders of the Company on the open offer by the Pegasus Holdings III. LLC, ("Acquirer") together with Pegasus Parent, L.P (PAC-1), Federal Mogul Holdings Ltd. (PAC-2) and Tenneco Inc. (PAC-3), in terms of the provisions of SEBI ( Substantial Acquisition of Shares and Takeover) Regulations 2011.

**For DEEPIKA GERA, COMPANY SECRETARIES**  
**DEEPIKA GERA**  
**FCS No. 3531**  
**C P No: 7487**  
**Peer Review No. 2081/2022**  
**UDIN NO. F003531E000230813**

**Place : New Delhi**  
**Date: 1<sup>st</sup> May, 2023**

Note: This report is to be read with letter of even date by the secretarial auditor, which is annexed as 'Annexure A' and forms an integral part of this report.

**'Annexure A'**

To,  
The Members,

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

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. I believe that the process and practice i followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedure on test basis.
6. 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.
7. The audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by /obtaining from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

**For DEEPIKA GERA, COMPANY SECRETARIES**

**DEEPIKA GERA**

**FCS No. 3531**

**C P No: 7487**

**Peer Review No. 2081/2022**

**UDIN NO. F003531E000230813**

**Place : NEW DELHI**

**Date : 1<sup>st</sup> May 2023**



## 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 31<sup>st</sup> March, 2023 as stipulated in regulations Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

We state that in respect of Investors grievances received during the year ended 31<sup>st</sup> March, 2023, 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 DEEPIKA GERA, Company Secretaries**

**DEEPIKA GERA**

**FCS:3531**

**C.P. No. : 7487**

**Peer Review Certificate No. 2081/2022**

**UDIN No. F003531E000230923**

**Date : 1<sup>st</sup> May, 2023**

**Place : New Delhi**

**ANNEXURE-9**  
**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT**  
**SECTION A: GENERAL DISCLOSURES**

**I Details of the listed entity**

1. Corporate Identity Number (CIN) of the Listed Entity	L74899DL1954PLC002452
2. Name of the Listed Entity	Federal-Mogul Goetze (India) Limited
3. Year of incorporation	November 26, 1954
4. Registered office address	DLF Prime Towers, 10 Ground Floor, F-79 & 80, Okhla Phase - I, New Delhi- 110020
5. Corporate address	10th Floor, Tower B, Paras Twin Tower Sector -54, Golf Course Road, Gurgaon-122002, Haryana
6. E-mail	Khalid.khan@tenneco.com
7. Telephone	+91 11 4905 7597
8. Website	<a href="http://www.federalmogulgoetzeindia.net/web/index.htm">http://www.federalmogulgoetzeindia.net/web/index.htm</a>
9. Financial year for which reporting is being done	2022-2023
10. Name of the Stock Exchange(s) where shares are listed	i. National Stock Exchange of India Ltd. ii. BSE Limited
11. Paid-up Capital	INR 55,63,21,300 Rupees Fifty-Five Crores Sixty-Three Lacs Twenty-One Thousand Three Hundred Only
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name - Dr. Khalid Iqbal Khan Whole-Time Director- Legal & Entity Secretary e-mail id - Khalid.khan@tenneco.com Telephone No. – +91-124-478-4533
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on as standalone basis, unless otherwise specified.

**II Products/Services**

**14. Details of business activities (accounting for 90% of the turnover):**

S. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturer of Automotive Components	Manufacturer of Automotive Components (Piston, Rings, valve seats guides)	97%

**15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No	Product/ Service	NIC Code % of total	Turnover contributed
1.	Manufacturer of Automotive Components (Piston, Rings, valve seats guides)	2811	97%

## III Operations

### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	7	10
International	0	0	0

### 17. Markets served by the entity:

#### a. Number of locations

Locations	No.
National (No. of States)	27
International (No. of Countries)	8

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Particular	Amount
Sale of products	
Domestic	144,074.87
Export	11,805.50
Total Sale of products	155,880.37
Other operating income	4,973.86
Revenue from operations	160,854.23
Other Income	3,187.78
<b>Total income (I+II)</b>	<b>164,042.01</b>

Contribution of export sales is 7.57% contribution to Total Sale of products

#### c. A brief on types of customers

The Entity is in the business of manufacturing of Automotive components. It has a mix of Customers in OEMs, Aftermarket, and exports. The Entity is also a Tier1 supplier for Automobile OEM engine manufacturers and it has distributors/ dealers' network for aftermarket and export sales.

## IV Employees

### 18. Details as at the end of Financial Year: 2022-23

#### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male	(B/A)	Female	(C/A)
			(B)		(C)	
<b>Employees</b>						
1	Permanent (D)	649	632	97.4%	17	2.6%
2	Other than Permanent (E)	371	358	96.5%	13	3.5%
3	Total Employees (D+E)	1020	990	97.1%	30	2.9%
<b>Workers</b>						
4	Permanent (F)	2393	2391	99.9%	2	0.1%
5	Other than Permanent (G)	999	978	97.9%	21	2.1%
6	Total Workers (F+G)	3392	3369	99.3%	23	0.7%

#### b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male	(B/A)	Female	(C/A)
			(B)		(C)	
<b>Differently Abled Employees</b>						
1	Permanent (D)	0	0	0%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total Employees (D+E)	0	0	0%	0	0%

S. No.	Particulars	Total	Male		Female	
		(A)	(B)	(B/A)	(C)	(C/A)
<b>Differently Abled Employees</b>						
4	Permanent (F)	9	9	100%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%
6	Total Workers (F+G)	9	9	100%	0	0%

#### 19. Participation/Inclusion/Representation of women

S. No.	Particulars	Total (A)	No. and percentage of Females	
			No.(B)	% (B/A)
	Board of Directors	8	1	12.5%
	Key Management Personnel	4	0	0

#### 20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY (2022-2023) (Turnover rate in current FY)			FY (2021-2022) (Turnover rate in previous FY)			FY (2020-2021) (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.35%	0.62%	8.97%	8.98%	0.46%	9.44%	7.64%	0.15%	7.79%
Permanent Workers	6.77%	0.00%	6.77%	5.46%	0.00%	5.46%	6.70%	0.08%	6.77%

#### V- Holding, Subsidiary and Associate Companies (including joint ventures)

##### 21. (a) Names of holding / subsidiary / associate companies / joint ventures

S.No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Federal Mogul Holding Limited, Mauritius	Holding Entity	60.05% (% of shares held in the listed entity)	No
2	Federal - Mogul TPR (India) Limited	Subsidiary	51%	No

There is no associate and joint venture entity as on 31 March 2023.

#### VI. CSR Details

##### 22. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) -Yes

ii. Turnover (in Rs.) INR 1,32,197.67 Lacs

iii. Net worth (in Rs.) INR 81,112.38 Lacs

#### VII. Transparency and Disclosures Compliances

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide weblink for grievance redress policy)	FY 2022-2023 Current Financial Year			FY 2021-2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, the Entity has a grievance redressal mechanism in place for all of its stakeholders. Our whistle blower policy is available at <a href="http://www.federalmogulgoetzindia.net/web/documents/WhistleBlowerpolicy1.pdf">http://www.federalmogulgoetzindia.net/web/documents/WhistleBlowerpolicy1.pdf</a> Any grievances pertaining to the investors may be referred to the Designated Officials for assisting and handling Investor Grievances. Contact details of the Designated Officials are available at <a href="http://www.federalmogulgoetzindia.net/web/index.html">http://www.federalmogulgoetzindia.net/web/index.html</a>	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)		Nil	Nil	Nil	Nil	Nil	Nil
Shareholders		Nil	Nil	Nil	Nil	Nil	Nil
Employees and workers		Nil	Nil	Nil	Nil	Nil	Nil
Customers		Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners		Nil	Nil	Nil	Nil	Nil	Nil
Others (Please specify)		Nil	Nil	Nil	Nil	Nil	Nil

### 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Pig Iron	R/O Environment	<b>Risk-</b> More of mining leading to climate change <b>Opportunity-</b> Supports in production activity and CSR.	Optimisation of consumption and alternate suppliers.	Positive implications

2	Aluminium	R/O Environment	<b>Risk-</b> More of mining leading to climate change <b>Opportunity-</b> Supports in production activity and CSR	Optimisation of consumption and alternate suppliers.	Positive implications
3	Steel Wire	R/O Environment	<b>Risk-</b> More of mining leading to climate change <b>Opportunity-</b> Supports in production activity and CSR	Optimisation of consumption and alternate suppliers.	Positive implications

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

### Policy and management processes

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Yes	No	No	No	No	No	No	No	No
<b>c. Web Link of the Policies, if available</b>	<a href="http://www.federalmogulgoetzeindia.net/web/inv_policiescodes.html">http://www.federalmogulgoetzeindia.net/web/inv_policiescodes.html</a>								
<b>2. Whether the entity has translated the policy into procedures. (Yes / No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance,Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</b>	ISO 45001/2018	ISO 14001/2015	ISO 45001/2018	ISO 45001/2018	Internal ESG System	ISO 14001/2015	Code of Conduct, Conflict of Interest & TENNECO Values	ISO 14001/2015 and ISO 45001/2018	ISO 14001/2015 and ISO 45001/2018

<p><b>5. Specific commitments goals and targets set by the entity with defined timelines, if any.</b></p>	<p>With respect to all the principles we have internal objectives and targets which are governed by Tenneco's core Values and EHS Policy. We have dedicated objectives such as Zero Landfill Disposal, Zero liquid discharge, reduction of Scrap, Zero severe injuries etc. We provide healthy and safe work environment and prevent and control pollution to protect the environment.</p>
<p><b>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b></p>	<p>The Entity strived to achieve Zero landfill disposal through the FY 2022-23 and its Bangalore plant was successful in achieving Zero landfill disposal during the month of April 2023. Injury incident rate (IIR) was less than the target as defined under the Code of Conduct.</p> <p>The target set for training of all employees on BBS (Behavioural based safety) was achieved to a large extent.</p> <p>Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) are performing well and the treated water is, inter alia, used for gardening. These ETP and STP are aligned with the global EHS objectives and targets of Tenneco. The Entity's performance predominantly achieved the global EHS objectives and targets during the year.</p>
<p><b>Governance, leadership and oversight</b></p>	
<p><b>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</b></p>	<p>We are committed to operate as a responsible and sustainable business and also believe that ESG considerations are integral to our business strategy. We strive to conserve natural resources and promote biodiversity. In addition, we are committed to promote social sustainability by ensuring that our operations are safe, healthy, and inclusive for our employees and communities where we operate. We are committed to achieve the ESG targets by ensuring the operations are safe and healthy, by ensuring the high standard of governance practices that are aligned with the best practices and the regulatory requirements. It has been our long-standing belief that sustainability and growth go hand in hand and an organization's long-term success is to a great extent determined by how proactively it responds to its environmental, social, and governance dimensions.</p>
<p><b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b></p>	<p>Mr. Vinod Kumar Hans, Managing Director, DIN: 03328309</p>
<p><b>9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b></p>	<p>Yes, the entity has Corporate Social Responsibility Committee responsible for decision making on sustainability related issues. For composition of CSR Committee, please refer Page [58] of the Annual Report FY 2023.</p>



**10. Details of Review of NGRBCs by the Entity:**

Subject for review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half Yearly/ Quarterly (Q)/ Any other – Please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes	No	No	No	No	No	No	No	No	Q	No	No	No	No	No	No	No	No
Compliance with statutory requirement of relevance to the principles and rectification of any noncompliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

**11.**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency	No	No	No	No	No	No	No	No	No

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	No	No	No	No	No	No	No	No
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	No	No	No	No	No	No	No	No
It is planned to be done in the next financial year (Yes/No)	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

SEGMENT	Total no. of training and awareness prog. held	Topic/ principals covered under the training and its impact	% of persons in respective category covered by the awareness prog.
Board of Directors	3	- Code of Conduct - Anti Corruption - Privacy and data protection	100%
Employees Other than Board of Directors	3	- Code of Conduct - Anti Corruption - Privacy and data protection	100%
Workers	1	- Code of Conduct - Anti Corruption - Privacy and data protection	100%

#### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

##### Monetary

	NGRBC Principle	Name of regulatory enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred (Yes/ No)
Penalty	NA	NA	NA	NA	NA
Fine	NA	NA	NA	NA	NA
Settlement/ compounding fee	NA	NA	NA	NA	NA

##### Non-Monetary

	NGRBC Principle	Name of regulatory enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred (Yes/ No)
Imprisonment	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The entity follows Tenneco’s global anti-corruption and anti-bribery policy. The document is applicable to all the employees globally who must abide by this policy. The policy requires all its directors, employees and associated persons to be ethical, accountable and transparent and addresses issues including corruption and bribery.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY (2022-2023) CURRENT FY	FY (2021-2022) PREVIOUS FY
Directors	NA	NA
KMPs	NA	NA
Employees	NA	NA
Workers	NA	NA

6. Details of complaints with regard to conflict of interest

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
No. of complaints received in relation to issues of conflict of interest of the Directors	NIL	NIL	NIL	NIL
No. of complaints received in relation to issues of conflict of interest of the KMP	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

**PRINCIPLE 2** Businesses should provide goods and services in a manner that is sustainable and safe

**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current FY (2022-23)	Previous FY (2021-22)	Details of Improvements in Environmental and Social Impacts
<b>R&amp;D</b>	5,72,05,602	50,96,900	NA
<b>Capex</b>	0	1,05,00,000	NA

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the entity have procedures in place for sustainable sourcing

**b. If yes, what percentage of inputs were sourced sustainably?**

100%, all the suppliers are bound by Tenneco's Supplier Code of Conduct that mandates environment sustainability.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The entity is not reclaiming the plastic waste for recycling and reusing, all plastic waste is being disposed through authorized plastic recyclers.

The entity follows the disposal process as defined by pollution control board:

- Plastic waste: Disposal through authorised agencies,
- E-Waste: Disposal through authorised dealers,
- Hazardous Waste: Disposal through authorized dealers,
- Other waste: (Non-Hazardous waste) Disposal through authorised dealers, as per applicability.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR is applicable. Waste collection plan is in line with the applications submitted/ consents received from the Pollution Control Board for disposal of hazardous waste and plastic waste.

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

**1. A. Details of measures for the well-being of employees**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	%(B/A)	Number (B)	%(B/A)	Number (B)	%(B/A)	Number (B)	%(B/A)	Number (B)	%(B/A)
<b>Male</b>	632	632	100%	632	100%	632	100%	632	100%	632	100%
<b>Female</b>	17	17	100%	17	100%	17	100%	17	100%	17	100%
<b>Total</b>	649	649	100%	649	100%	649	100%	649	100%	649	100%
<b>Permanent Employees and other than Permanent Employees</b>											
<b>Male</b>	358	358	100%	358	100%	358	100%	358	100%	358	100%
<b>Female</b>	13	13	100%	13	100%	13	100%	13	100%	13	100%
<b>Total</b>	371	371	100%	371	100%	371	100%	371	100%	371	100%

## B. Details of measures for the well-being of workers

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
<b>Permanent Workers</b>											
<b>Male</b>	2391	1928	80.6%	1928	80.6	NA	NA	NA	NA	NA	NA
<b>Female</b>	2	2	100%	2	100%	2	100%	NA	NA	NA	NA
<b>Total</b>	2393	1930	80.7%	1930	80.7%	2	100%	NA	NA	NA	NA
<b>Other than permanent workers</b>											
<b>Male</b>	978	974	99.59 % (ESI)	974	99.59 % (ESI)	NA	NA	NA	NA	NA	NA
<b>Female</b>	21	21	100% (ESI)	21	100% (ESI)	21	100% (ESI)	NA	NA	NA	NA
<b>Total</b>	999	995	99.60 % (ESI)	995	99.60 % (ESI)	21	100% (ESI)	NA	NA	NA	NA

## 2. Details of retirement benefits for current FY and previous FY

Benefits	FY (2022-2023) i.e. CURRENT FY			FY (2021-2022) i.e. PREVIOUS FY		
	No. of employees covered as a % of total employee	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
<b>PF</b>	100%	100%	Y	100%	100%	Y
<b>GRATUITY</b>	100%	100%	Y	100%	100%	Y
<b>ESI</b>	100%	100%	Y	100%	100%	Y
<b>OTHERS – please SPECIFY</b>	-	-	-	-	-	-

## 3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the entity follows global policy.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Male	NA	NA	NA
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/ No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes – By Union Committee Members and Daily Visit to Shop Floor
Other than permanent workers	Yes- Supervisors conduct weekly meetings
Permanent employees	Yes- Employee engagement model – 1x1, skip level and focus group meetings
Other than permanent employees	Yes- Supervisors conduct weekly meetings

## 7. Membership of employees and worker in association or unions recognised by the listed entity

Category	FY (2022-2023) (Current Financial Year)			FY (2021-2022) (Previous Financial Year)		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ Workers in respective category (c)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	649	0	0%	652	0	0%
Male	632	0	0%	640	0	0%
Female	17	0	0%	12	0	0%
Total Permanent Workers	2393	2245	93.82%	2503	2426	96.92%
Male	2391	2243	93.81 %	2501	2424	100%
Female	2	2	100%	2	2	96.92%



## 8. Details of training given to employees and workers

Category	FY (2022-2023) Current Financial Year					FY (2021-2022) Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (B)	On Health and safety measures		On Skill Upgradation	
		No.(B)	% (B/A)	No.(C)	% (C/A)		No.(E)	%(E/D)	No.(E)	%(F/D)
<b>Employees</b>										
<b>Male</b>	632	632	100%	632	100%	640	640	100%	640	100%
<b>Female</b>	17	17	100%	17	100%	12	12	100%	12	100%
<b>Total</b>	649	649	100%	649	100%	616	616	100%	616	100%
<b>Workers</b>										
<b>Male</b>	2391	639	26.73%	661	27.65%	2501	509	20.35%	525	20.99%
<b>Female</b>	2	1	50%	1	50%	2	1	50%	1	50%
<b>Total</b>	2393	640	26.74%	662	27.66%	2503	510	20.38%	526	21.01%

## 9. Details of performance and career development reviews of employees and workers:

Category	FY (2022-2023) Current Financial Year					FY (2021-2022) Previous Financial Year				
	No.(A)	No.(B)	% (B/A)	No.(C)	% (C/A)	No.(D)	No.(E)	%(E/D)	No.(F)	%(F/D)
<b>Employees</b>										
<b>Male</b>	632	504	79.75%	568	89.87%	640	568	88.75%	552	86.25%
<b>Female</b>	17	17	100%	16	94.12%	12	11	91.67%	11	91.67%
<b>Total</b>	649	521	80.28%	580	89.37%	652	579	88.80%	563	86.35%
<b>Workers</b>										
<b>Male</b>	2391	858	35.88%	726	30.36%	2501	855	34.19%	855	34.19%
<b>Female</b>	2	1	50%	1	50%	2	1	50%	1	50%
<b>Total</b>	2393	859	35.90%	727	30.38%	2503	856	34.20%	856	34.20%

## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, occupational health and safety management system has been implemented by the entity for all its employees.

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Entity has in place systematic risk management process to identify and control all the hazards by implementing the following:

1. Hazard Identification & Risk Assessment (HIRA),
2. Job Safety Analysis (JSA),
3. Worker Participation to identify unsafe act (UA), unsafe condition (UC) and near miss (NM) reporting

4. Internal and External Safety Audits,
5. Machine Safety Assessment by following global guidelines,
6. Quick Risk Assessment,
7. Work permit system,
8. Training Awareness,
9. Third Party Audits.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.(Y/N)**

Yes, the Entity has processes for workers to report work related hazards and to remove themselves from such risks.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Y/N)**

Yes, the employees/ worker of the entity have access to non-occupational medical and healthcare services.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
<b>Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)</b>	Employees	0.25	0.31
	Workers	0.19	0.13 & 0.09
<b>Total recordable work-related injuries</b>	Employees	8	6
	Workers	1	3
<b>No. of fatalities</b>	Employees	0	0
	Workers	0	0
<b>High consequence work- related injury or ill-health (excluding fatalities)</b>	Employees	2	1
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

The Entity emphasizes on the Occupational Health and Safety practices across all its business locations. In case of any unsafe acts and conditions are observed specific target dates are set for their resolution and closure. The Entity promotes ‘speak up culture’ as the employees are encouraged to share their concerns pertaining to any health and safety issues at their workplaces and discontinue their work, if required. Due to the Entity’s focus on health and safety practices, we have been able to minimise the usage of hazardous chemicals at our manufacturing locations. The Entity employs the following methods to safeguard Occupational Health and Safety:

- a. Risk Assessment Activities;
- b. Work permit system;
- c. Frequent Training and awareness programs to employees on Occupational Health and Safety;
- d. Proper Ventilation, Air Handling Unit (AHU), provision of clean water at business locations;
- e. Safe Machine guarding as per Tenneco Emission security (EMSEC) standards
- f. Adequate Personal protective equipment (PPES) are provided as process wise PPE matrix.
- g. Regular EHS Audits are conducted at the manufacturing locations such as Gemba walks, safety patrols, Safety Committee Team rounds etc.

**13. Number of Complaints on the following made by employees and workers:**

	FY (2022-2023) Current Financial Year			FY (2021-2022) Previous Financial Year		
	Filed During the year	Pending resolution at end of year	Remarks	Filed During the year	Pending resolution at end of year	Remarks
<b>Working Conditions</b>	7	Nil		10	1	
<b>Health &amp; Safety</b>	18	Nil		21	Nil	

**14. Assessments for the year:**

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
<b>Health and safety practices</b>	100%
<b>Working conditions</b>	100%

**15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Safety at the workplace is one of the highest priorities of the entity. The entity has always focused on building a culture of safety, emphasizing individual responsibility.

Various steps have been taken by the entity in this regard including:

- a) Elimination of Kerosene Oil
- b) Fixing of Radio Frequency Identification (RFID) Switches
- c) Replacement of Pneumatic Press to Hydraulic Press for Mandrel
- d) In process of converting manual mould stacking to automatic
- e) Achieving zero Injury Incident Rate & Severe Injury Incident Rate since August 2017 to till date
- f) Machine guarding as per Tenneco emission security (EMSEC) standard
- g) Regular finger & hand safety incentives in plant
- h) High risk activities drive
- i) Creating awareness through trainings and display of SOP
- j) Safety Kaizen competitions in plant
- k) Hazard identification and Risk assessment
- l) Stroke length reduction of cavity machining operation having pin type clamping fixture
- m) Pin design change to collar type for easy holding
- n) Clamping de-clamping switches repositioned to avoid complexity

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Any individual or group of individuals or institution that adds value to the business chain of the entity is identified as a core stakeholder. Entity has recognized both, internal and external stakeholders that includes employees of the entity and investors, communities, regulators respectively.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

<b>Stake holder Group</b>	<b>Whether identified as vulnerable and marginalized group (Yes/ No)</b>	<b>Channels of communication (Email, SMS, Newspaper, pamphlet, advertisement, community meetings, notice board, websites others)</b>	<b>Frequency of engagement (Annually/ half yearly/quarterly/ others – Please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
<b>Communities</b>	Yes	Direct engagement and through the Entity’s CSR project implementation partners (NGO)	As and when required	Their expectation and feedback on impact/success of CSR project. Also review scale up potentials and further engagement scope.
<b>Investors – Other than shareholders</b>	No	Website	As and when required	General updates + Queries + Business Performance
<b>Share holders</b>	No	Website and newspapers	As and when required	General updates + Queries + To understand their need and expectation which are material to the Entity
<b>Employees and workers</b>	No	Email, notice board, intranet	Regularly	Reward and Recognition, Talent management, new opportunities, CSR & Sustainability updates

<b>Customers</b>	No	Meetings and brochures	Regularly	Product sale, Product quality and safety, Adequate information on products, Timely delivery, Maintenance of privacy/ Confidentiality, Fair and competitive pricing
<b>Value chain partners</b>	No	Supplier and dealer meets	As and when required	Need and expectation, schedule, supply chain issue, need for awareness and other training, their regulatory compliance, EHS performance etc.
<b>Others – Please specify</b>	NA	NA	NA	NA

## PRINCIPLE 5 Business should respect and promote human rights

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY (2022-2023) (Current Financial Year)			FY (2021-2022) (Previous Financial Year)		
	Total (A)	No. of Employees/ workers covered (B)	% (B / A)	Total (c)	No. of Employees/ workers covered (D)	% (D / C)

### Employees

Permanent	649	649	100%	652	652	100%
Other than permanent	0	0	0%	0	0	0%
Total Employees	649	649	100%	652	652	100%

Category	FY (2022-2023) (Current Financial Year)			FY (2021-2022) (Previous Financial Year)		
	Total (A)	No. of Employees/ workers covered (B)	% (B / A)	Total (c)	No. of Employees/ workers covered (D)	% (D / C)

**Workers**

Permanent	2393	2393	100%	2503	2503	100%
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	2393	2393	100	2503	2503	100

**2. Details of minimum wages paid to employees and workers, in the following format:**

Category	FY (2022-2023) Current Financial Year					FY (2021-2022) Previous Financial Year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No.(B)	% (B/A)	No.(C)	% (C/A)		No.(E)	%(E/D)	No.(F)	%(F/D)
<b>Employees</b>										
Male	632	0	0	632	100	603	0	0	603	100
Female	17	0	0	17	100	13	0	0	13	100
<b>Other than Permanent</b>										
Male	60	60	100	0	0	32	0	0	32	100
Female	7	7	100	0	0	1	0	0	1	100
<b>Worker Permanent</b>										
Male	2391	0	0	2391	100	2501	0	0	2501	100
Female	2	0	0	2	100	2	0	0	21	100
<b>Other than Permanent</b>										
Male	285	285	100	0	0	666	0	0	666	100
Female	21	0	0	21	100	5	0	0	5	100



**3. Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Number Median remuneration/ salary/ wages of respective category
<b>Board of Directors and KMP</b>	44	12,966,420	-	-
<b>Employees other than Board of Directors</b>	628	683,151	17	805,288
<b>Workers</b>	2391	606,674	2	639,834

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Y/N)**

Yes, the Entity through its respective HR heads at its business locations is responsible for addressing the human rights impact or issues connected thereto.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Entity's manual on code of conduct along with the whistle blower policy supports the protection of human rights within the realm of its influence and is committed to the highest ethical standards.

**6. Number of complaints on the following made by employees and workers:**

	FY (2022-2023) (Current Financial Year)			FY (2021-2022) (Previous Financial Year)		
	Filed During the year	Pending resolution at end of the year	Remarks	Filed During the year	Pending resolution at end of the year	Remarks
<b>Sexual Harassment</b>	0	0	Nil	0	0	Nil
<b>Discrimination at workplace</b>	0	0	Nil	0	0	Nil
<b>Child Labour</b>	0	0	Nil	0	0	Nil
<b>Forced Labour/ Involuntary labour</b>	0	0	Nil	0	0	Nil
<b>Wages</b>	0	0	Nil	0	0	Nil
<b>Other human rights related issues</b>	0	0	Nil	0	0	Nil

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

All complaints can be made without fear of reprisal and with the assurance that the Entity stands with you. The Entity has "No Retaliation Policy" in place to take care of this aspect. The entity takes stringent actions against any person found to have so violated this clause.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, human rights requirements form a part of the Entity's business agreements and contracts.

**9. Assessments for the year**

	<b>% of your plants and offices that were assessed (By entity or statutory authorities or third parties)</b>
<b>Child labor</b>	None
<b>Forced or involuntary labor</b>	None
<b>Sexual harassments</b>	None
<b>Discrimination at workplace</b>	None
<b>Wages</b>	None
<b>Others – Please specify</b>	None

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

NA

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

<b>Parameter</b>	<b>FY (2022-2023) Current FY</b>	<b>FY (2021-2022) Previous FY</b>
<b>Total electricity consumption (A)</b>	23,12,529	4,05,097
<b>Total fuel consumption (B)</b>	5,840	5,683
<b>Energy consumption through other sources (C)</b>	3,678	5,026
<b>Total energy consumption (A+B+C)</b>	23,22,047	4,15,806
<b>Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)</b>	-	-
<b>Energy intensity (optional) – the relevant metric may be selected by the entity</b>	0.00014435722	0.00003145335

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NO

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY (2022-2023) (Current Financial Year)	FY (2021-2022) (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(I) Surface water	0	0
(ii) Groundwater	2,64,756	2,14,675
(iii) Third party water	2,60,712.19	2,41,203.55
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	5,25,468.19	4,55,878.55
<b>Total volume of water consumption (in kilolitres)</b>	354,489.7	301,790.7
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	0.00002203794	0.00002282874
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NO

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Entity has implemented a mechanism of Zero Liquid Discharge. We have Effluent Treatment Plant and Sewage Treatment Plant in factory and we use the treated effluent for horticulture activities. The treated water is, inter alia, used for horticulture activities. No water is discharged outside the plant.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
<b>Nox</b>	Mg/ Nm3	1003.6	1121.37
<b>Sox</b>	Mg/ Nm3	Less than 5.0	Less than 5.0
<b>Particulate matter (PM)</b>	PPM	103.2	106.75
<b>Persistent organic pollutants (POP)</b>	NA	NA	NA
<b>Volatile organic compounds (VOC)</b>	NA	NA	NA
<b>Hazardous air pollutants (HAP)</b>	NA	NA	NA
<b>Others – please specify</b>	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Inspection from KSPCB (Karnataka State Pollution Board) was carried out. Further TUV SUD, RBA Auditors had also verified the data.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
<b>Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)</b>	Metric tonnes of Co2 equivalent	5366.99	4682.14
<b>Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)</b>	Metric tonnes of Co2 equivalent	35139	39263
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	Metric tonnes of Co2 equivalent	0.00000218452	0.00000297002
<b>Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity</b>	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NO

**7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Yes, the Entity has taken several initiatives to increase energy efficiency and reduce emissions. Some of the initiatives undertaken are as follows:

- a. Changing of CO2 fire extinguishers to water mist in few areas
- b. Usage of renewable energy sources
- c. Elimination of kerosene oil, LPG to PNG
- d. Minimization of diesel consumption
- e. Optimization of PNG and electrical consumption
- f. Installation solar panel in vehicle parking area, dual fuel kit (with 70% gas- based fuels and 30% diesel) in generators.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY (2022-2023) (Current Financial Year)	FY (2021-2022) (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
<b>Plastic Waste (A)</b>	12.225	11.68
<b>E-waste (B)</b>	0.963	2.068
<b>Bio-medical waste(C)</b>	0.04675	0.2196
<b>Construction and demolition waste (D)</b>	NA	NA
<b>Battery waste (E)</b>	5	324
<b>Radioactive waste (F)</b>	NA	NA
<b>Other Hazardous waste. Please specify, if any. (G)</b>	1204.2631064	1098.150549
<b>Other Nonhazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)</b>	5580.588 Used oil, Grinding sludge, Oil soaked cotton, ETP Sludge, oily cotton, spent chronic acid, plating sludge	5345.761 Used oil, Grinding sludge, Oil soaked cotton, ETP Sludge, oily cotton, spent chronic acid, plating sludge
<b>Total (A+B + C + D + E + F + G + H)</b>	6803.0792264	6781.879149
<b>For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
<b>(i) Recycled</b>	NA	NA
<b>(ii) Re-used</b>	NA	NA
<b>(iii) Other recovery operations</b>	NA	NA
<b>Total</b>	NA	NA

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	418.1778	390.999
(ii) Landfilling	518.224	465.77
(iii) Other disposal operations	511.797	454.129
<b>Total</b>	<b>1448.1988</b>	<b>1310.898</b>

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your entity to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

- a. Kerosene Oil Elimination
- b. Zero Landfill project on Hazardous waste
- c. Selling polythene waste and other waste to recyclers
- d. No waste is handled by third party in the factory premises
- e. Disposal of waste through authorized Treatment, Storage and Disposal Facilities (TSDF) and co-processors

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	NA	NA	NA

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, the entity is compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules.



S.NO.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	Nil	Nil	Nil	Nil

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations.**

The Entity has two affiliations with trade and industry chambers/ associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S.NO.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Automotive Component Manufacturers Association (ACMA)	Automotive association/ National
2.	American Chamber of Commerce (Amchem)	Chamber/ National

**2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of Authority	Brief of the case	Corrective action taken
NA	NA	NA

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year**

Name and brief details of the project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Y/N)	Results communicated in public domain (Y/N)	Relevant web link
NA	NA	NA	NA	NA	NA

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S.No.	Name of project for which R&R is going on	State	District	No. of project affected families(PAFs)	% of PAF's covered by R&R	Amounts paid of PAF in the FY (In INR)
1.	NA	NA	NA	NA	NA	NA

**3. Describe the mechanisms to receive and redress grievances of the community.**

The entity collaborates closely with the community in the areas of contribution that have been found in the fields of disaster assistance, rural development, healthcare, and destitute care. The entity has effective systems in place within its areas of responsibility to evaluate how initiatives will affect their intended beneficiaries. These mechanisms offer plenty of opportunity to receive and address complaints from the intended beneficiaries, and vary from one-on-one and group discussions with beneficiaries to independent external assessments, among others.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY-2022-23	FY 2021-22
<b>Directly sourced from MSME/ Small producers</b>	11.0%	12.3%
<b>Sourced directly from within the district and neighbouring districts</b>	33.7%	33.6%

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

We have strong grievance mechanism to address customer complaints and concerns. Customer complaints or queries involving inputs required from cross-functional teams are communicated accordingly to the customer along with relevant resolution time. Such structured process and tools for resolving customer complaints helps satisfy our customers and provides opportunity for us to further improve in terms of process and use of new technology.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
<b>Environmental and social parameters relevant to the product</b>	NA
<b>Safe and responsible usage</b>	NA
<b>Recycling and/ or safe disposal</b>	NA

**5. Number of consumer complaints in respect of the following:**

	FY (2022-2023) (Current Financial Year)			FY (2021-2022) (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
<b>Data Privacy</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>Advertising</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>Cyber Security</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>Delivery of essential services</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>Restrictive trade practices</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>Unfair Trade Practices</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>Other</b>	Nil	Nil	Nil	Nil	Nil	Nil

**6. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
<b>Voluntary recalls</b>	NIL	NIL
<b>Forced recalls</b>	NIL	NIL

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The Entity follows Global Tenneco Policy on cyber security.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not applicable

**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**  
Whole Time Director- Finance &  
Chief Financial Officer  
DIN : 07195652

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

Date: 22<sup>nd</sup> May 2023  
Place: Gurugram

**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	40.71
2	Dr. Khalid Iqbal Khan	Whole-time Director - Legal & Company Secretary	20.32
3	Mr. Manish Chadha	CFO & Finance Director	20.08
4	Mr. Rajesh Sinha	Whole-time Director	22.96

\*Calculation is on the basis of Cost to the Company.

- (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	Nil
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 – Negligible
- (iv) The number of permanent employees on the rolls of Company = 3042
- (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 - Due to the change in increment cycle, the average percentile increase was negligible in the salaries of employees other than the Managerial Personnel. During the year, there was no increase in the managerial remuneration except in the case of Mr. Vinod Kumar Hans, whose remuneration was increased by 9.1%. The 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.

**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**  
Whole Time Director- Finance &  
Chief Financial Officer  
DIN : 07195652

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

Date: 22<sup>nd</sup> May 2023  
Place: Gurugram

**ANNEXURE-11**

**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	Vice President & Managing Director	4,78,31,147/-	Contractual	B.E(Mech), PGDBM	36	1-Jul-08	57	GKN Driveline (India) Ltd.	Nil	No
2.	Mr. Manish Chadha	Director - Finance	1,32,15,427/-	Contractual	CA	23	15-Jan-03	49	Daewoo Motors India Ltd.	Nil	No
3.	Dr. Khalid Iqbal Khan	General Counsel India & Director-Legal	1,27,17,413/-	Contractual	B. Com 89, LL.B94, CS92, Ph.D'13	30	02-Nov-09	55	Good Year India Ltd	Nil	No
4.	Mr. Rajesh Sinha	Director- Operations, Ring & Liners, India & Campus Head	1,13,58,040/-	Contractual	BE91, MBA96	31	02-Feb-07	54	High Tech Gears	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>											
1.	Mr. Sreenivasan N V	Information System Director - India	80,35,049/-	Contractual	DEE, B.Tech, Fast Track Business Management Program	32	11-Jul-11	52	Areva T & D India Ltd.	Nil	No

**Notes:**

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

<b>Name of TOP 10 employees of the Company in terms of remuneration drawn as on 31<sup>st</sup> March 2023</b>		
<b>Sl. No.</b>	<b>Name of Employee</b>	<b>Total Gross remuneration as on 31<sup>st</sup> March 2023 (Amount in Rupees)</b>
1.	Vinod Kumar Hans	4,78,31,147/-
2.	Manish Chadha	1,32,15,427/-
3.	Khalid Iqbal Khan	1,27,17,413/-
4.	Rajesh Sinha	1,13,58,040/-
5.	Sanjeev Sharma	84,70,450/-
6.	Kapil Abrol	76,92,479/-
7.	Rakesh Kumar	71,33,460/-
8.	Jasbir Singh	64,14,604/-
9.	S Srinivasa	63,38,484/-
10.	Ramakrishnachar Sridhar	58,62,648/-

**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**  
Whole Time Director- Finance &  
Chief Financial Officer  
DIN : 07195652

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

Date: 22<sup>nd</sup> May 2023  
Place: Gurugram

## INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Federal-Mogul Goetze (India) Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 ("the Act") in the manner so

required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

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 standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

### Key audit matter

#### Provisions and contingencies relating to legal, tax and other regulatory matters

The Company is involved in certain claims/matters relating to direct taxes, indirect taxes, labour laws and environmental, health and safety ('regulatory and tax matters') that are pending with various authorities and courts.

The Company has recognised provisions aggregating to Rs. 1,122.79 lacs and disclosed contingent liabilities of Rs. 4,901.45 lacs related to these regulatory and tax matters as at 31 March 2023.

Whether a claim against the Company is recognised as a provision or disclosed as a contingent liability in the standalone financial statements is inherently judgmental dependent on certain assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows and the interpretation of local laws and pending disposal of matters at various forums.

The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around these regulatory and tax matters, the determination of the need for recording a provision or disclosure as contingent liability in the standalone financial statements is inherently subjective/judgmental and therefore is considered to be a key audit matter in the current year.

Refer note 2.3 (r) "Provision, Contingent liabilities and contingent assets" for accounting policies, note 2.3(u) 'Provisions and Contingencies' under the head "Key sources of estimation uncertainty", note 14 "Provisions" for disclosure in respect of provisions relating to legal, tax

### Auditor's Response

#### Principal audit procedures performed:

Our audit procedures in relation to the provisions and contingent liabilities relating to regulatory and tax matters, 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 and completeness thereof;
  - assessment of accounting treatment for each matter identified under accounting principles of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets; and measurement of amounts involved.
- Evaluate the design and tested the operating effectiveness of key controls around the above process.
- Test of details including, but were not limited to, the following:
  - Obtained an understanding of the nature of regulatory and tax matters pending against the Company and discussed the key developments during the year for key regulatory and tax matters with the management.
  - Carried out procedures to test the completeness and accuracy of these matters by reconciling the same with details as per independent confirmations obtained, review of legal and professional expenses, verifying the underlying documents including correspondence during the period and also by reconciling the amount of provisions/contingent liabilities with amounts disclosed in the standalone financial statements.
  - Assessed the Company's assumptions and estimates in respect of regulatory and tax matters, including the liabilities or provisions recognised or contingent liabilities disclosed in the standalone financial statements. This involves assessing the probability of an unfavourable outcome of a given proceeding and the reliability of estimates of related amounts;



and other regulatory matters, and Note 36 in respect of details of Contingent liabilities in the Standalone Financial Statements.

- For cases represented by consultants or legal counsels, reviewed response obtained as above or through legal advice obtained by the management 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 standalone financial statements;
- Involved relevant tax specialists, where necessary, to assess the Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates in relation to uncertain tax positions, taking into account past precedents.
- Evaluated the disclosures made relating to provisions and contingent liabilities for their appropriateness.

## Information Other than the Standalone Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including Annexures to Director's report, but does not include the consolidated financial statements, 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 during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we 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 Standalone Financial Statements

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 loss, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has

no realistic alternative but to do so.

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

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone 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 the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably

knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

#### Other Matter

The comparative financial information of the Company as at and for the year ended 31 March 2022 prepared in accordance with Ind AS included in the standalone financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated 20 May 2022 expressed an unmodified opinion.

Our opinion on the standalone financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the

Act, based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India [refer Note 49 (i) to the standalone financial statements].
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in

accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i) 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 49(n) to the standalone financial statements.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 49(k) to the standalone financial statements.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 49(l) to the standalone financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by

the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 49(m) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has

come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year and hence, reporting under Rule 11(f) is not applicable for the year.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Pramod B. Shukla**  
Partner  
(Membership No. 104337)  
(UDIN: 23104337BGYEZF3561)

Place: Gurugram  
Date: 22<sup>nd</sup> May, 2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report on the standalone financial statements for the year ended 31 March 2023 to the Members of Federal-Mogul Goetze (India) Limited of even date)**

**Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of **Federal-Mogul Goetze (India) Limited** ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of

Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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.

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 standalone financial statements.

**Meaning of Internal Financial Controls with reference to standalone financial statements**

A company's internal financial control with

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

**Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may

become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

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

has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2023, based on the criteria for internal financial control with reference to

standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## **For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration  
No. 117366W/W-100018)

## **Pramod B. Shukla**

Partner  
(Membership No. 104337)  
(UDIN: 23104337BGYEZF3561)

Place: Gurugram  
Date: 22<sup>nd</sup> May 2023



**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

**[Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report on the standalone financial statements for the year ended 31 March 2023 to the Members of Federal Mogul Goetze (India) Limited of even date]**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(I) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once in every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.

(c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in property, plant and equipment, are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated

during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the

on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the statements containing stocks, book debts and creditors etc filed by the Company with the banks are in agreement with the unaudited books of account of the Company, of the respective quarters. The Company has not been sanctioned any working capital facility from the financial institutions.

(iii) (a) The Company has provided loans/advances in the nature of loans (interest free) during the year and details of which are given below:

**(Rs. In lakhs)**

	<b>Loans</b>	<b>Advance in the nature of loans</b>
A. Aggregate amount provided during the year:		
Other parties		
- Employees	-	97.97
- fellow subsidiary	100.00	-
B. Balance outstanding as at balance sheet date in respect of above case:		
Other parties		
- Other parties- Employees	-	71.48
- Other parties- fellow subsidiary	-	-

nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories /alternate procedures performed as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks

The Company has not made any investments in, provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties during the year.

(b) The terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest. (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) of the Order is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans

granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of other machinery and mechanical appliances. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities. Sales Tax, Service Tax, duty of excise, and Value Added Tax are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Excise, duty of Custom, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

© Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2023 on account of disputes are given below:

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	1,752.27	-	2010-11	Income Tax Appellate Tribunal and Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	1,504.67	150.00	2013-14, 2014-15, 2015-16, 2016-17, 2017-18	Commissioner of Income Tax (Appeals)
Central Excise Act, 1994	Excise Duty	93.99	7.05	2014-2017	Commissioner (Appeal) Jaipur
Central Excise Act, 1994	Excise Duty	39.69	1.49	November 2013 to June 2017 and 2014-15	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Central Excise Act, 1994	Excise Duty	121.74	-	2014-15	Central Excise and Service Tax Appellate Tribunal, Mumbai
Finance Act, 1994	Service Tax	86.44	25.00	2006-2007	Customs, Excise and Service tax, Appellate Tribunal, Bangalore
Finance Act, 1994	Service Tax	113.70	4.60	May 2005 to July 2005	Commissioner of Central Excise, Bangalore
Finance Act, 1994	Service Tax	194.00	14.60	Oct 2008 to March 2013	Customs, Excise and Service Tax Appellate Tribunal, Bangalore



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
Karnataka VAT Act 2003	Value Added tax	1.36	-	2007-08	Asstt. Commissioner Bangalore
Karnataka VAT Act 2003	Value Added tax	13.38	3.41	2008-09	DCCT, Audit Bangalore
Uttanchal VAT Act, 2005	Value Added tax	33.38	33.38	2010-11	Uttarakhand High Court, Nainital
Gujrat VAT Act, 2003	Value Added tax	607.53	60.76	2012-13	Gujarat, DC Appeals

\*Amounts as per demand orders including interest and penalty wherever quantified in the Order.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (43 of 1961) during the year

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any funds on short-term basis during the year and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence

reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi)(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the

nature of its business.

(b) We have considered the internal audit reports issued to the Company during the year and covering the period upto 31 March 2023 for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi)(a), (b) and (c) of the Order is not applicable.

(d) There is no core investment company within the Group {as defined in the Core Investment Companies (Reserve Bank) Directions, 2016} and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material

uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the

audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In respect of other than ongoing projects, the Company has transferred unspent Corporate Social Responsibility

(CSR) amount, to a Fund specified in Schedule VII to the Companies Act, 2013 before the date of this report and within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Pramod B. Shukla**

Partner  
(Membership No. 104337)  
(UDIN: 23104337BGYEZF3561)

Place: Gurugram  
Date: 22<sup>nd</sup> May 2023

## Standalone Balance Sheet as at 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	45,291.65	47,417.04
Capital work-in-progress	3(c) & (d)	7,648.00	3,448.86
Right-of-use assets	3(a)	1,041.51	1,158.19
Intangible assets	3(b)	7.85	75.88
Financial assets			
- Investments	4	666.53	665.54
- Other financial assets	5	1,878.03	1,831.94
Deferred tax assets (net)	15	1.18	-
Current tax assets (net)	6	1,338.95	1,341.73
Other non-current assets	7	1,954.11	2,331.64
<b>Total non-current assets</b>		<b>59,827.81</b>	<b>58,270.82</b>
<b>Current assets</b>			
Inventories	8	18,352.20	17,326.88
Financial assets			
- Trade receivables	9	26,643.77	25,849.54
- Cash and cash equivalents	10	26,573.01	12,314.48
- Loans	11	-	3,300.00
- Other financial assets	5	1,139.39	927.98
Other current assets	7	2,405.50	2,302.27
<b>Total current assets</b>		<b>75,113.87</b>	<b>62,021.15</b>
<b>TOTAL ASSETS</b>		<b>1,34,941.68</b>	<b>1,20,291.97</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	5,563.21	5,563.21
Other equity	13	85,565.55	75,549.17
<b>Total equity</b>		<b>91,128.76</b>	<b>81,112.38</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Lease liabilities	17	761.14	830.50
Provisions	14	2,984.33	3,166.07
Deferred tax liabilities (net)	15	-	94.35
<b>Total non-current liabilities</b>		<b>3,745.47</b>	<b>4,090.92</b>
<b>Current liabilities</b>			
Financial liabilities			
- Lease liabilities	17	69.35	62.47
- Trade payables			
- total outstanding dues of micro enterprises and small enterprises	16	2,117.47	1,614.26
- total outstanding dues of creditors other than micro enterprises and small enterprises	16	32,940.76	29,057.42
- Other financial liabilities	18	970.12	780.89
Other current liabilities	19	2,598.22	1,860.73
Provisions	14	1,371.53	1,712.90
<b>Total current liabilities</b>		<b>40,067.45</b>	<b>35,088.67</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,34,941.68</b>	<b>1,20,291.97</b>

The above Standalone Balance Sheet should be read in conjunction with the accompanying notes to the standalone financial statements. 1-50

As per our report of even date attached.

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**

**Pramod B. Shukla**  
Partner

**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: 22 May 2023

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

## Standalone Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022	
<b>INCOME</b>				
I	Revenue from operations	20	1,60,854.23	1,32,197.67
II	Other income	21	3,187.78	2,235.59
<b>III</b>	<b>Total income (I+II)</b>		<b>1,64,042.01</b>	<b>1,34,433.26</b>
<b>IV Expenses</b>				
	Cost of materials consumed	22	66,474.62	49,443.90
	Purchases of stock-in-trade	23	2,075.73	1,700.25
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(270.58)	764.98
	Employee benefits expense	25	33,510.61	31,625.36
	Finance costs	26	382.31	424.59
	Depreciation and amortisation expense	27	7,728.69	8,105.76
	Other expenses	28	41,244.47	35,271.29
	<b>Total expenses</b>		<b>1,51,145.85</b>	<b>1,27,336.13</b>
<b>V</b>	<b>Profit before tax (III-IV)</b>		<b>12,896.16</b>	<b>7,097.13</b>
<b>VI Tax expense</b>				
	Current tax (including related to earlier years)	30	3,226.03	1,083.53
	Deferred tax (credit)/expense	30	(53.04)	738.26
	<b>Total tax expense</b>		<b>3,172.99</b>	<b>1,821.79</b>
<b>VII</b>	<b>Profit for the year after tax (V-VI)</b>		<b>9,723.17</b>	<b>5,275.34</b>
<b>VIII 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)		168.81	(140.18)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(42.49)	35.28
	<b>Total other comprehensive loss/(income) (net of tax)</b>		<b>126.32</b>	<b>(104.90)</b>
<b>IX</b>	<b>Total Comprehensive Income for the year (VII-VIII)</b>		<b>9,596.85</b>	<b>5,380.24</b>
	Earnings per equity share (of ₹ 10 each) (absolute amount)	29		
	Basic (₹) (absolute amount)		17.48	9.48
	Diluted (₹) (absolute amount)		17.48	9.48

The above Standalone Statement of Profit and Loss account should be read in conjunction with the accompanying notes to the standalone financial statements. 1-50

As per our report of even date attached.

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**

**Pramod B. Shukla**  
Partner

**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: 22 May 2023

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

## Standalone Statement of Cash Flows for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
<b>A. Cash flow from operating activities</b>		
Profit before tax	12,896.16	7,097.13
<b>Adjustments for:</b>		
Depreciation and amortisation expense	7,728.69	8,105.76
Loss on sale/discard of property, plant and equipment (net)	94.79	221.83
Allowance for expected credit loss	73.90	97.13
Excess provision no longer required written back	(561.89)	(172.37)
Bad debts/advances written off	98.08	30.33
Interest income	(716.80)	(334.67)
Dividend income	(318.75)	(295.80)
Finance costs	382.31	424.59
Unrealised foreign exchange (gain) (net)	(17.53)	(22.09)
Finance income on financial assets carried at amortised cost	0.65	10.10
Employee share based payments	419.52	-
<b>Operating cash flows before working capital changes</b>	<b>20,079.13</b>	<b>15,161.94</b>
<b>Movements in working capital:</b>		
(Increase) in trade receivables	(850.60)	(184.87)
(Increase)/decrease in inventories	(1,025.32)	11.60
(Increase)/decrease in other current and non-current financial assets	(133.83)	163.51
Decrease/(increase) in other current and non-current assets	182.96	(302.97)
(Decrease) in other current and non-current financial liabilities	(53.62)	(14.58)
Increase /(decrease) in other current and non-current liabilities	730.43	(312.50)
(Decrease) in current and non-current provisions	(691.92)	(4,895.85)
Increase in trade payables	4,948.44	3,029.25
<b>Cash flow from operating activities post working capital changes</b>	<b>23,185.67</b>	<b>12,655.54</b>
Income tax paid (net)	(3,223.25)	(1,702.84)
<b>Net cash generated from operating activities</b>	<b>19,962.42</b>	<b>10,952.70</b>
<b>B. Cash flow from investing activities</b>		
Payment towards acquisition of property, plant and equipment (including capital work-in-progress)	(9,507.45)	(7,777.78)
Proceeds from sale of property, plant and equipment	77.09	59.60
Movement in bank deposits	0.55	27.54
(Purchase) of investments	-	(794.80)
Interest received	590.94	352.84
Dividend received	318.75	295.80
Inter corporate deposit given	(100.00)	(3,300.00)
Inter corporate deposit received back	3,400.00	-
<b>Net cash (used in) investing activities</b>	<b>(5,220.12)</b>	<b>(11,136.80)</b>
<b>C. Cash flow from financing activities</b>		
Repayment of principal component of lease liabilities	(62.48)	(142.67)
Interest paid	(421.29)	(329.64)
<b>Net cash (used in) financing activities</b>	<b>(483.77)</b>	<b>(472.31)</b>
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	14,258.53	(656.41)
Cash and cash equivalents at the beginning of the year	12,314.48	12,970.89
<b>Cash and cash equivalents at the end of the year</b>	<b>26,573.01</b>	<b>12,314.48</b>
<b>Cash and cash equivalents as per above comprise of the following (refer note no 10)</b>		
	As at 31 March 2023	As at 31 March 2022
With banks - on current account	6,573.01	5,314.48
Fixed deposits with original maturity less than 3 months	20,000.00	7,000.00
	<b>26,573.01</b>	<b>12,314.48</b>

The Standalone Statement of Cash Flows has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'. The above Standalone Statement of Cash Flows should be read in conjunction with the accompanying notes to the standalone financial statements (1-50).

As per our report of even date attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pramod B. Shukla**  
Partner

**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: 22 May 2023

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

## Standalone Statement of Changes in Equity for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	Balance as at 01 April 2021	Change in equity share capital during the year	Balance as at 31 March 2022	Change in equity share capital during the year	Balance as at 31 March 2023	
A) Equity share capital	5,563.21	-	5,563.21	-	5,563.21	
<b>B) Other equity</b>						
			<b>Reserves and surplus</b>			
	<b>Capital reserve</b>	<b>Capital redemption reserve</b>	<b>Securities premium</b>	<b>Retained earnings</b>	<b>Deemed capital contribution</b>	<b>Total</b>
<b>Balance as at 01 April 2021</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>42,361.64</b>	<b>-</b>	<b>70,168.93</b>
Profit for the year 2021-22	-	-	-	5,275.34	-	5,275.34
<b>Other comprehensive (loss)/income</b>						
Remeasurements of the post employment defined benefit plans gain (net of tax)	-	-	-	104.90	-	104.90
<b>Balance as at 1 April 2022</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>47,741.89</b>	<b>-</b>	<b>75,549.17</b>
Profit for the year 2022-23	-	-	-	9,723.17	-	9,723.17
Share-based payment (refer note 46)	-	-	-	-	419.52	419.52
<b>Other comprehensive (loss)/income</b>						
Remeasurements of the post employment defined benefit plans loss (net of tax)	-	-	-	(126.32)	-	(126.32)
<b>Balance as at 31 March 2023</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>57,338.74</b>	<b>419.52</b>	<b>85,565.55</b>

The above Standalone Statement of Changes in Equity should be read in conjunction with the accompanying notes to the standalone financial statements (1-50).

As per our report of even date attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pramod B. Shukla**  
Partner

Place: Gurugram  
Date: 22 May 2023

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

**Vinod Kumar Hans**  
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**Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31 March 2023****1. General 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 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 BSE Limited.

At the year end, 60.05% of the shares of the Company are held by Federal Mogul Holding Limited, Mauritius. The Company is a subsidiary of Federal Mogul Holding Limited, Mauritius.

The standalone financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 22 May 2023.

**2.1 Application of new and revised Indian Accounting Standards (Ind AS)**

All the Ind AS issued and notified by the Ministry of Corporate Affairs ("MCA") under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorised, have been considered in preparing these standalone financial statements.

**2.2 Recent accounting pronouncements**

On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any material impact in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any material impact in its financial statements.

**2.3 Summary of Significant Accounting Policies****Statement of compliance with Ind AS**

These standalone financial statements ('standalone 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.

*Basis of preparation*

The standalone financial statements have been prepared in accordance with Ind AS and accounting principles generally accepted in India. Further, the standalone 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. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

**a) Current and non-current classification**

The Company presents assets and liabilities in the standalone balance sheet based on current/non-current classification.

An asset is current when it is:



## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31 March 2023

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
  - Held primarily for the purpose of trading;
  - Expected to be realised within twelve months after the reporting period; or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

### Operating cycle:

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

### b) Use of estimates

The preparation of standalone 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 standalone 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.

### c) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All financial information presented in Indian Rupees has been rounded to the nearest lacs (upto two decimals), except as stated otherwise.

### 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 the standalone statement of profit or loss as incurred.

#### Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight-line method ('SLM'), over the useful life prescribed in Schedule II to the Act or useful life determined based on technical evaluation and past trends, upto the estimated residual value of the depreciable assets, as follows:

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

\* Computers are classified under Plant and Machinery.

**Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31 March 2023**

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 derecognized 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 derecognized.

**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 capitalized and criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

*Subsequent measurement (capitalized)*

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

**f) Capital work-in-progress**

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not available for intended use.

**g) 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/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

**h) Impairment of financial assets**

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

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

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

*Trade receivables*

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

*Other financial assets*

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

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

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31 March 2023

### i) 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 and except for trade receivables which are initially measured at transaction price. 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. Investment in Equity instruments at Fair Value Through Other Comprehensive Income (FVTOCI)**– Investments in equity instruments which are held for trading are classified as at fair value through profit or loss ('FVTPL'). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL') Amounts presented in other comprehensive income are not subsequently transferred to profit or loss.

**iii. Investments in equity instruments of subsidiaries**– Investments in equity instruments of subsidiaries are accounted for at cost less any allowance for impairment, if any. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### *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 standalone statement of profit or loss.

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

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

### i) Leases

#### **The Company as a lessee**

The Company's leased asset classes primarily consist of property leases. 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 a straight-line basis over the term of the lease.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31 March 2023

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 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. Goods in transit are valued at 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 standalone statement of profit and loss.

### 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

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31 March 2023

when it transfers control of a product to a customer. Revenue is measured at the amount of transaction price allocated to the performance obligation, 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 amount of transaction price allocated to the performance obligation, 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 standalone Balance Sheet under other current liabilities.

#### *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.

#### *(i) Job Work:*

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

#### *(ii) Interest:*

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

#### *(iii) Dividends:*

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

#### *(iv) Commission:*

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

#### *(v) Export Benefits/Incentives:*

Export benefits/ incentives are recognised in the Standalone Statement of Profit and Loss when the right to receive credit as per the terms of the scheme is established in respect of exports made.

#### *(vi) Management support charges:*

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

#### *(vii) Lease income:*

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

### **m) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial

**Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31 March 2023**

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

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 standalone 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 standalone statement of profit and loss in the year in which they arise.

**o) Employee benefits**

Employee benefits includes provident fund, National Pension Scheme (NPS), gratuity, compensated absences and bonus/ex-gratia.

**i. Post-employment benefits****(a) Defined contribution plans:**

The Company offers its employees State governed provident fund linked with employee pension scheme as defined contribution plans. The contribution paid/ payable under the scheme is recognized during the period in which the employee renders the related service.

**ii. 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 standalone statement of profit and loss during the period in which the employee renders the related service.

**(b) Defined benefit plan:**

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and return on plan assets, is reflected immediately in the standalone balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) and
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The liability or asset recognised in the standalone balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.



## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31 March 2023

### (c) Other long term employee benefits:

Long term compensation liability for compensated absences 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 the standalone statement of profit and loss in the year in which such gains or losses are determined.

### iii. Short term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, and gratia are recognized in the period the related service is rendered at undiscounted amount of benefits expected to be paid in exchange for that service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

## p) 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.

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 unrealised tax loss, if any, are recognised to the extent that it is probable that the underlying tax loss will be utilized 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, if any, 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 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 the standalone statement of profit and loss is recognised outside the standalone statement of profit or loss (either in other comprehensive income or in 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.

**Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31 March 2023**

*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.

**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 Company, and makes strategic decisions and therefore the board would be the chief operating decision maker or 'CODM, within the meaning of Ind AS 108. The CODM evaluates the Company's performance and allocates resources based on the dominant source, nature of product and nature of risks and returns. 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**

In the application of the Company's accounting policies, which are described above, the Management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

*Significant management judgements*

**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.

*Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

**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.

**Provisions and Contingencies** - 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.

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 litigations referred above. However, the actual future outcome may be different from this judgement.

**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 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 3(a). Property plant and equipment

	Freehold land	Buildings*	Furniture and fittings and office equipment	Plant and machinery	Vehicles	Total	Right-of-use assets (ROU) (refer note 38)
<b>Gross carrying amount</b>							
Opening gross carrying amount as at 01 April 2021	1,485.16	12,298.44	1,848.97	1,29,267.58	428.55	1,45,328.70	1,698.82
Additions	-	1,169.72	13.13	4,763.78	29.52	5,976.15	-
Disposals/adjustments	-	(534.60)	(47.90)	(1,649.73)	(21.86)	(2,254.09)	-
<b>Closing gross carrying amount as at 31 March 2022</b>	<b>1,485.16</b>	<b>12,933.56</b>	<b>1,814.20</b>	<b>1,32,381.63</b>	<b>436.21</b>	<b>1,49,050.76</b>	<b>1,698.82</b>
<b>Gross carrying amount</b>							
Opening gross carrying amount as at 01 April 2022	1,485.16	12,933.56	1,814.20	1,32,381.63	436.21	1,49,050.76	1,698.82
Additions	-	221.91	51.91	5,275.52	32.34	5,581.68	-
Disposals/adjustments	-	(31.09)	(55.60)	(1,683.43)	(22.09)	(1,792.21)	(371.91)
<b>Closing gross carrying amount as at 31 March 2023</b>	<b>1,485.16</b>	<b>13,124.38</b>	<b>1,810.51</b>	<b>1,35,973.72</b>	<b>446.46</b>	<b>1,52,840.23</b>	<b>1,326.91</b>
<b>Accumulated depreciation</b>							
Opening accumulated depreciation as at 01 April 2021	-	6,088.69	1,411.67	87,840.38	339.27	95,680.01	413.79
Depreciation charge during the year	-	393.52	83.30	7,406.70	27.37	7,910.89	126.84
Disposals/adjustments	-	(389.03)	(39.15)	(1,508.02)	(20.98)	(1,957.18)	-
<b>Closing accumulated depreciation as at 31 March 2022</b>	<b>-</b>	<b>6,093.18</b>	<b>1,455.82</b>	<b>93,739.06</b>	<b>345.66</b>	<b>1,01,633.72</b>	<b>540.63</b>
<b>Accumulated depreciation</b>							
Opening accumulated depreciation as at 01 April 2022	-	6,093.18	1,455.82	93,739.06	345.66	1,01,633.72	540.63
Depreciation charge during the year	-	425.20	83.07	7,009.76	25.94	7,543.97	116.68
Disposals/adjustments	-	(23.50)	(50.83)	(1,539.45)	(15.33)	(1,629.11)	(371.91)
<b>Closing accumulated depreciation as at 31 March 2023</b>	<b>-</b>	<b>6,494.88</b>	<b>1,488.06</b>	<b>99,209.37</b>	<b>356.27</b>	<b>1,07,548.58</b>	<b>285.40</b>
<b>Net carrying amount as at 31 March 2022</b>							
	<b>1,485.16</b>	<b>6,840.38</b>	<b>358.38</b>	<b>38,642.57</b>	<b>90.55</b>	<b>47,417.04</b>	<b>1,158.19</b>
<b>Net carrying amount as at 31 March 2023</b>							
	<b>1,485.16</b>	<b>6,629.50</b>	<b>322.45</b>	<b>36,764.35</b>	<b>90.19</b>	<b>45,291.65</b>	<b>1,041.51</b>

\* Including buildings constructed on leasehold land.

#### Note:

1. Refer to note no. 34 for disclosure on capital commitments.
2. There is no property, plant and equipment which are pledged or under lien for secured borrowings.

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 3(b). Intangible assets

	Software (acquired)	Total
<b>Gross carrying amount</b>		
Opening gross carrying amount as at 01 April 2021	313.24	313.24
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount as at 31 March 2022</b>	<b>313.24</b>	<b>313.24</b>
<b>Gross carrying amount</b>		
Opening gross carrying amount as at 01 April 2022	313.24	313.24
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount as at 31 March 2023</b>	<b>313.24</b>	<b>313.24</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation as at 01 April 2021	169.33	169.33
Amortisation charge during the year	68.03	68.03
<b>Closing accumulated amortisation as at 31 March 2022</b>	<b>237.36</b>	<b>237.36</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation as at 01 April 2022	237.36	237.36
Amortisation charge during the year	68.03	68.03
<b>Closing accumulated amortisation as at 31 March 2023</b>	<b>305.39</b>	<b>305.39</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>75.88</b>	<b>75.88</b>
<b>Net carrying amount as at 31 March 2023</b>	<b>7.85</b>	<b>7.85</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 3(c) For capital-work-in progress (CWIP), following is the ageing schedule:

As at 31 March 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	6,071.54	1,576.46	-	-	7,648.00
Project temporarily suspended	-	-	-	-	-

As at March 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	3,448.59	0.27	-	-	3,448.86
Project temporarily suspended	-	-	-	-	-

### 3(d) For capital-work-in progress (CWIP), following is the ageing schedule:

As at 31 March 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Plant and machineries	4,263.97	-	-	-	4,263.97

As at March 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
None	-	-	-	-	-

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 4. Non-current Investments

	As at 31 March 2023	As at 31 March 2022
<b>(i) Investment in 0.01% Compulsorily convertible debentures of other entity, unquoted</b>		
71,760 debentures (previous year: 71,760 debentures) of ₹ 1000 each (absolute amount) of AMP Solar Technology Two Private Limited.	136.17	135.58
<b>(ii) Investment in equity shares of other entities, unquoted</b>		
53,000 Equity shares (previous year : 53,000 equity shares) of ₹ 10 each (absolute amount) fully paid in Vyshali Energy Private Limited	5.30	4.90
797,341 Equity shares (previous year : 797,341 equity shares) of ₹ 10 each (absolute amount) fully paid in AMP Solar Technology Two Private Limited	15.06	15.06
3,889,600 (previous year: 3,889,600) equity shares of ₹ 5 each (absolute amount) fully paid in GI Power Corporation Limited#	-	-
<b>(iii) Investment in equity shares of subsidiary company, unquoted*</b>		
5,100,000 Equity shares (previous year: 5,100,000 equity shares) fully paid of ₹ 10 each (absolute amount) of Federal-Mogul TPR (India) Limited	510.00	510.00
	<b>666.53</b>	<b>665.54</b>
<b>Aggregate carrying amount of unquoted investments</b>	<b>666.53</b>	<b>665.54</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 shares is Nil (previous year: Nil)

### 5. Other financial assets

	As at 31 March 2023		As at 31 March 2022	
	Non current	Current	Non current	Current
<b>Unsecured, considered good</b>				
Margin money deposits kept with government authorities	560.02	-	560.57	-
Security deposits	1,299.65	-	1,252.00	42.19
Export incentive receivable	-	122.09	-	244.03
Earnest money deposits	-	-	-	10.83
Interest accrued on deposits	18.36	131.34	19.37	6.40
Other receivables#	-	885.96	-	624.53
	<b>1,878.03</b>	<b>1,139.39</b>	<b>1,831.94</b>	<b>927.98</b>

Refer note 31 for fair value disclosures in respect of financial assets measured at amortised cost and refer note no 32 for financial risk management.

# includes receivables from related parties (refer note 37)



## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 6. Current tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Income tax payments less provisions	1,338.95	1,341.73
	<b>1,338.95</b>	<b>1,341.73</b>

### 7. Other non-current/current assets

	As at 31 March 2023		As at 31 March 2022	
	Non current	Current	Non current	Current
Capital advances (unsecured, considered good)	745.18	-	729.67	-
<b>Advances other than capital advances:</b>				
Unsecured, considered good	-	681.95	-	859.87
Unsecured, credit impaired	-	2.12	-	2.12
Less: Provision for doubtful advances	-	(2.12)	-	(2.12)
	-	681.95	-	859.87
Prepaid expenses	706.00	885.15	735.76	973.23
Paid to government authorities (including deposits paid under protest)	502.93	314.75	866.21	-
Other receivables#	-	523.65	-	469.17
	<b>1,954.11</b>	<b>2,405.50</b>	<b>2,331.64</b>	<b>2,302.27</b>

# includes recoverable from related parties (refer note 37)

### 8. Inventories\* (Valued at lower of cost or net realisable value)

	As at 31 March 2023	As at 31 March 2022
Caw materials and components (includes goods in transit of ₹ 1,248.92 lacs (previous year ₹ 808.83 lacs))	3,794.98	3,191.33
Work-in-progress	5,032.71	5,110.67
Finished goods	6,738.44	6,389.48
Traded goods	9.70	10.12
Stores and spares (includes goods in transit of ₹ 36.78 lacs (previous year ₹ 86.45 lacs))	2,776.37	2,625.28
	<b>18,352.20</b>	<b>17,326.88</b>

\* Hypothecated against borrowing facilities availed from banks.

#### Notes:

- The cost of inventories recognised as an expense includes Nil (previous year ₹ 713.24 lacs) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ 604.75 lacs (previous year Nil) in respect of reversals of such write-downs. The same has been included in note 22, 23 and 24.
- The cost of inventories recognised as expense was ₹ 68,279.77 lacs (Previous year ₹ 51,909.13 lacs).

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 9. Trade receivables\*

	As at 31 March 2023	As at 31 March 2022
Secured, considered good (refer note 4 below)	71.73	379.10
Unsecured, considered good	26,572.04	25,470.44
Unsecured, significant increase in credit risk	401.94	350.12
	27,045.71	26,199.66
Less: Allowances for expected credit loss	(401.94)	(350.12)
	26,643.77	25,849.54

\* Hypothecated against borrowing facilities availed from banks.

#### 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 Allowance for expected credit loss.
- (3) Refer note 37 for balances due from related parties.
- (4) Secured to the extent of deposit obtained from the customers.

### Trade receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	23,497.32	2,521.96	170.77	381.74	54.59	17.39	26,643.77
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	182.12	94.61	57.51	67.70	401.94
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>23,497.32</b>	<b>2,521.96</b>	<b>352.89</b>	<b>476.35</b>	<b>112.10</b>	<b>85.09</b>	<b>27,045.71</b>
							Less: Allowances for expected credit loss
							(401.94)
							<b>26,643.77</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### Trade receivables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	19,636.63	4,015.02	1,565.29	570.02	55.40	7.18	25,849.54
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	81.14	155.37	53.36	60.25	350.12
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>19,636.63</b>	<b>4,015.02</b>	<b>1,646.43</b>	<b>725.39</b>	<b>108.76</b>	<b>67.43</b>	<b>26,199.66</b>
							Less: Allowances for expected credit loss (350.12)
							<b>25,849.54</b>

### 10. Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
<b>Cash and cash equivalents</b>		
Balances with banks:		
- Current accounts	6,573.01	5,314.48
- Fixed deposits with original maturity less than 3 months	20,000.00	7,000.00
	<b>26,573.01</b>	<b>12,314.48</b>

### 11. Loans

	As at 31 March 2023	As at 31 March 2022
<b>At amortised cost (Unsecured, considered good)</b>		
Inter corporate deposit to related party (refer note 37)	-	3,300.00
	-	3,300.00

### 12. Equity share capital

	As at 31 March 2023	As at 31 March 2022
<b>Authorised shares</b>		
80,000,000 (previous year: 80,000,000) equity shares of ₹ 10 (absolute amount) 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 (previous year: 55,632,130) equity shares of ₹ 10 (absolute amount) each.	5,563.21	5,563.21
	<b>5,563.21</b>	<b>5,563.21</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

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

### (b) Terms/rights/restriction attached to equity shares.

The Company has only one class of equity shares having par value of ₹ 10 (absolute amount) 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 Company and/or their subsidiaries

Name of the shareholder	31 March 2023		31 March 2022	
	No.	% holding	No.	% holding
<b>Equity shares of ₹ 10 (absolute amount) - fully paid</b>				
Federal Mogul Holding Limited, Mauritius, the Holding company	3,34,08,581	60.05%	3,34,08,581	60.05%
Federal Mogul Vermögensverwaltungs GMBH, a fellow subsidiary company	83,06,873	14.93%	83,06,873	14.93%

### (d) Details of shares held by promoters of the Company.

Name of the Promoter*	As at 31 March 2023			As at 31 March 2022		
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
Federal Mogul Holding Limited, Mauritius	3,34,08,581	60.05%	-	3,34,08,581	60.05%	-
Federal Mogul Vermögensverwaltungs GMBH	83,06,873	14.93%	-	83,06,873	14.93%	-

\*Promoters here means promoter as defined under Companies Act, 2013.

### (e) 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 2023		31 March 2022	
	No.	% holding	No.	% holding
<b>Equity shares of ₹ 10- (absolute amount) 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 Vermögensverwaltungs GMBH, a Fellow subsidiary company	83,06,873	14.93%	83,06,873	14.93%
c) Rajasthan Global Securities Private Limited	53,01,101	9.53%	44,29,933	7.96%

As per the records of the Company, including its registrar of shareholders/ members and other declarations received from the shareholders regarding the beneficial interest, the above shareholding represents both legal and beneficial ownership of the shares.

(f) 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.

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 13. Other equity

	Capital reserve	Capital redemption reserve	Securities premium	Retained earnings	Deemed capital contribution	Total
<b>Balance as at 01 April 2021</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>42,361.64</b>	<b>-</b>	<b>70,168.93</b>
Profit for the year	-	-	-	5,275.34	-	5,275.34
Items of other comprehensive income recognised directly in retained earnings:						
Remeasurements of the post employment defined benefit plans gain (net of taxes)	-	-	-	104.90	-	104.90
<b>Balance as at 31 March 2022</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>47,741.89</b>	<b>-</b>	<b>75,549.17</b>
Profit for the year	-	-	-	9,723.17	-	9,723.17
Share based payments	-	-	-	-	419.52	419.52
Items of other comprehensive income recognised directly in retained earnings:						
Remeasurements of the post employment defined benefit plans (loss) (net of taxes)	-	-	-	(126.32)	-	(126.32)
<b>Balance as at 31 March 2023</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>57,338.73</b>	<b>419.52</b>	<b>85,565.55</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 earlier 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.

**Retained earnings** - This represents accumulated profits of the Company after appropriation of reserves and adjustments for other comprehensive income/loss.

**Deemed capital contribution**- This represents contribution in respect of Restricted Stock Units (RSUs) given to the employee of the Company by Tenneco Inc. Also refer note 46.

### 14. Provisions

	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current	Non Current	Current
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 39)	<b>1,554.79</b>	-	1,804.08	-
Provision for compensated absences	<b>1,314.76</b>	<b>363.52</b>	1,209.42	259.81
	<b>2,869.55</b>	<b>363.52</b>	<b>3,013.50</b>	<b>259.81</b>
Provision for legal, tax and other regulatory matters (refer note (a) below)	<b>114.78</b>	<b>1,008.01</b>	152.57	1,453.09
	<b>114.78</b>	<b>1,008.01</b>	152.57	1,453.09
	<b>2,984.33</b>	<b>1,371.53</b>	<b>3,166.07</b>	<b>1,712.90</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### Note (a): Movement of provision relating to legal, tax and other regulatory matters (also refer note 43)

	31 March 2023					Closing balance
	Opening balance	Provision/ adjustments made during the year	Utilised/ reversed during the year	Finance expense on unwinding of provision	Provision written back during the year	
Indirect tax (Excise, VAT, property tax, etc)	870.86	32.35	(486.61)	-	-	416.60
Income tax	297.02	7.39	-	-	-	304.41
Employee related matters	218.76	208.54	(214.04)	-	-	213.26
Relating to Environmental, health and safety	219.02	8.18	(53.29)	14.61	-	188.52
	<b>1,605.66</b>	<b>256.46</b>	<b>(753.94)</b>	<b>14.61</b>	<b>-</b>	<b>1,122.79</b>

	31 March 2022					Closing balance
	Opening balance	Provision/ adjustments made during the year	Utilised/ reversed during the year	Finance expense on unwinding of provision	Provision written back during the year	
Indirect tax (Excise, VAT, property tax, etc)	931.03	(36.30)	(23.87)	-	-	870.86
Income tax	323.68	(26.66)	-	-	-	297.02
Employee related matters	4,331.14	1,178.83	(5,291.21)	-	-	218.76
Relating to Environmental, health and safety	207.48	67.35	(67.97)	12.16	-	219.02
	<b>5,793.33</b>	<b>1,183.22</b>	<b>(5,383.05)</b>	<b>12.16</b>	<b>-</b>	<b>1,605.66</b>

### 15. Deferred tax (assets)/liabilities (net)

	Opening balance as on 1 April 2022	Recognised in statement of profit & loss	Recognised in OCI	Closing balance as on 31 March 2023
<b>Deferred tax assets</b>				
Provision for employees benefits	826.67	(52.90)	42.49	816.26
Allowance for expected credit loss and doubtful advances	88.65	13.04	-	101.69
Provision for regulatory matters	329.36	(120.18)	-	209.18
Expenses allowed in tax on payment basis	463.52	(84.46)	-	379.06
	<b>1,708.20</b>	<b>(244.50)</b>	<b>42.49</b>	<b>1,506.19</b>
<b>Deferred tax liabilities</b>				
Difference in book value and tax base of property, plant and equipment, right- of- use assets and intangible assets	1,802.55	(297.54)	-	1,505.01
	<b>1,802.55</b>	<b>(297.54)</b>	<b>-</b>	<b>1,505.01</b>
<b>Net deferred tax (assets)/liabilities</b>	<b>94.35</b>	<b>(53.04)</b>	<b>(42.49)</b>	<b>(1.18)</b>



## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

	Opening balance as on 1 April 2021	Recognised in statement of profit & loss	Recognised in OCI	Closing balance as on 31 March 2022
<b>Deferred tax assets</b>				
Provision for employees benefits	1,035.67	(173.72)	(35.28)	826.67
Allowance for expected credit loss and doubtful advances	70.98	17.67	-	88.65
Provision for regulatory matters	1,376.93	(1,047.57)	-	329.36
Expenses allowed in tax on payment basis	487.60	(24.08)	-	463.52
	<b>2,971.18</b>	<b>(1,227.70)</b>	<b>(35.28)</b>	<b>1,708.20</b>
<b>Deferred tax liabilities</b>				
Difference in book value and tax base of property, plant and equipment, right- of- use assets and intangible assets	2,291.99	(489.44)	-	1,802.55
	<b>2,291.99</b>	<b>(489.44)</b>	<b>-</b>	<b>1,802.55</b>
<b>Net deferred tax (assets)/liabilities</b>	<b>(679.19)</b>	<b>738.26</b>	<b>35.28</b>	<b>94.35</b>

## 16. Trade payables

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 42)	<b>2,117.47</b>	1,614.26
Total outstanding dues of creditors other than micro enterprises and small enterprises (including acceptances)	<b>32,940.76</b>	29,057.42
	<b>35,058.23</b>	<b>30,671.68</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### Trade payables ageing schedule as at 31 March 2023

Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed outstanding dues to micro enterprises and small enterprises	-	1,979.09	138.38	-	-	-	2,117.47
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	3,995.28	19,602.79	9,171.73	136.90	11.00	23.06	32,940.76
(iii) Disputed outstanding dues to micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

### Trade payables ageing schedule as at 31 March 2022

Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed outstanding dues to micro enterprises and small enterprises	-	1,515.67	98.59	-	-	-	1,614.26
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	4,302.69	19,391.71	5,276.06	53.85	13.34	19.77	29,057.42
(iii) Disputed outstanding dues to micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

Refer note no 37 for related party balances.

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 17. Lease liabilities

	As at 31 March 2023		As at 31 March 2022	
	Non current	Current	Non current	Current
Lease liabilities (refer note 38)	761.14	69.35	830.50	62.47
	<b>761.14</b>	<b>69.35</b>	<b>830.50</b>	<b>62.47</b>

### 18. Other current financial liabilities

	As at 31 March 2023	As at 31 March 2022
Payables to capital creditors	623.54	334.65
Deposits from dealers	341.64	379.10
Interest accrued on security deposits	4.94	50.97
Others	-	16.17
	<b>970.12</b>	<b>780.89</b>

### 19. Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Advance from customers	407.14	254.73
Payable for statutory dues	2,170.16	1,591.41
Other current liabilities	20.92	14.59
	<b>2,598.22</b>	<b>1,860.73</b>

### 20. Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Revenue from operations</b>		
Sale of products	1,55,880.37	1,28,427.73
<b>Other operating revenue</b>		
Job work income	1,345.37	1,459.11
Export incentives	309.36	142.54
Scrap sales	3,319.13	2,168.29
<b>Revenue from operations</b>	<b>1,60,854.23</b>	<b>1,32,197.67</b>

Also refer note 41.

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 21. Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income		
<i>Financial instruments measured at amortised cost</i>		
- Fixed deposits with banks	<b>401.32</b>	199.17
- Inter-corporate deposits to related party (refer note 37)	<b>268.66</b>	102.05
- Others	<b>46.82</b>	33.45
Management support income	<b>605.73</b>	664.25
Dividend income on investment in subsidiary	<b>318.75</b>	295.80
Commission income	<b>473.67</b>	451.26
Foreign exchange fluctuation gain (net)	<b>343.35</b>	42.13
Excess provision/liabilities no longer required, written back	<b>561.89</b>	172.37
Rental income	<b>99.08</b>	99.08
Miscellaneous income	<b>68.51</b>	176.03
	<b>3,187.78</b>	<b>2,235.59</b>

### 22. Cost of material consumed

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Raw materials and components</b>		
Opening stock	<b>3,191.33</b>	1,987.37
Add: purchases	<b>67,078.27</b>	50,647.86
Less: closing stock	<b>(3,794.98)</b>	(3,191.33)
	<b>66,474.62</b>	<b>49,443.90</b>

### 23. Purchases of stock-in-trade

	Year ended 31 March 2023	Year ended 31 March 2022
Purchases of stock-in-trade	<b>2,075.73</b>	1,700.25
	<b>2,075.73</b>	<b>1,700.25</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 24. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Opening stock</b>		
Finished products	6,389.48	7,745.83
Work-in-progress	5,110.67	4,506.93
Traded goods	10.12	22.49
	<b>11,510.27</b>	<b>12,275.25</b>
<b>Less: closing stock</b>		
Finished products	6,738.44	6,389.48
Work-in-progress	5,032.71	5,110.67
Traded goods	9.70	10.12
	<b>11,780.85</b>	<b>11,510.27</b>
	<b>(270.58)</b>	<b>764.98</b>

### 25. Employee benefit expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	28,189.23	26,930.25
Contribution to provident and other funds	2,242.59	2,218.48
Employee Share-based payment (refer note 46)	419.52	-
Staff welfare expenses	2,659.27	2,476.63
	<b>33,510.61</b>	<b>31,625.36</b>

### 26. Finance cost

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on		
- financial liabilities measured at amortised cost	269.03	268.79
- lease liabilities (refer note 38)	69.04	74.41
- unwinding of discount on fair valuation of provision	14.61	12.16
- others	21.54	43.55
Other borrowing costs	8.09	25.68
	<b>382.31</b>	<b>424.59</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 27. Depreciation and amortisation expense {refer note 3(a) & 3(b)}

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment	<b>7,543.97</b>	7,910.89
Depreciation of right-of-use assets	<b>116.68</b>	126.84
Amortisation of intangible assets	<b>68.03</b>	68.03
	<b>7,728.69</b>	<b>8,105.76</b>

### 28. Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and spares	<b>15,031.87</b>	12,973.09
Sub-contracting expenses	<b>2,450.24</b>	1,875.47
Power and fuel	<b>9,612.46</b>	8,246.88
Freight and forwarding charges	<b>1,750.06</b>	1,311.49
Rent (refer note 38)	<b>68.40</b>	65.88
Rates and taxes	<b>144.06</b>	167.79
Insurance	<b>294.08</b>	317.11
Repairs and maintenance		
Plant and machinery	<b>1,065.10</b>	771.20
Buildings	<b>305.03</b>	138.33
Others	<b>630.00</b>	566.47
Selling, administration and distribution expense	<b>293.33</b>	289.49
Management support charges (refer note 44)	<b>3,414.99</b>	3,241.28
Royalty and trade-mark & license fees	<b>3,242.12</b>	2,529.31
Product rectification charges	<b>5.37</b>	8.48
Travelling and conveyance	<b>436.86</b>	198.49
Communication costs	<b>29.73</b>	46.19
Corporate social responsibility expense (refer note 47)	<b>54.77</b>	118.38
Printing and stationery	<b>102.98</b>	71.45
Legal and professional fees	<b>492.27</b>	575.47
Auditors remuneration (refer details below)*	<b>66.62</b>	58.24
Bad debts/advances written off	<b>98.08</b>	30.33
Allowance for expected credit loss	<b>73.90</b>	97.13
Loss on sale/discard of property, plant and equipment (net)	<b>94.79</b>	221.83
Environmental maintenance and remediation	<b>396.21</b>	401.79
Bank charges	<b>95.74</b>	63.41
Miscellaneous expenses	<b>995.41</b>	886.31
	<b>41,244.47</b>	<b>35,271.29</b>



## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### \*Auditors remuneration

	Year ended 31 March 2023	Year ended 31 March 2022
-As auditors		
Statutory audit	36.50	27.00
Limited reviews	28.62	28.24
Taxation matters (for tax audit)	-	3.00
Other services	1.50	-
	<b>66.62</b>	<b>58.24</b>

### 29. Earnings per share (EPS)

	Year ended 31 March 2023	Year ended 31 March 2022
Profit for the year as per Standalone Statement of Profit and Loss	9,723.17	5,275.34
Weighted average number of equity shares considered for calculating basic and diluted EPS	5,56,32,130	5,56,32,130
Nominal value of shares (₹) (absolute amount)	10.00	10.00
Earning per share - basic and diluted (₹) (absolute amount)	17.48	9.48

### 30. Tax expense

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax	3,631.85	1,181.90
Tax related to earlier years	(405.82)	(98.37)
Deferred tax (credit)/expense	(53.04)	738.26
	<b>3,172.99</b>	<b>1,821.79</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:

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Accounting profit before income tax</b>	<b>12,896.16</b>	7,097.13
At country's statutory income tax rate of 25.17% (previous year: 25.17%)	3,245.71	1,786.21
Tax effect on non deductible expenses	114.57	78.12
Others	218.53	55.83
<b>Total tax expense relating to the current year</b>	<b>3,578.81</b>	1,920.16
Effect of the tax adjustments related to earlier years	(405.82)	(98.37)
<b>Total tax expense</b>	<b>3,172.99</b>	<b>1,821.79</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ 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.

The fair values of the unquoted investment in shares of Vyshali Energy private Limited approximates the cost of the shares.

#### (iii) Fair value of instruments measured at amortised cost

Cash and cash equivalents, loans, trade receivables, investments in compulsorily convertible debentures, other current financial assets, trade payables 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 investments 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.
- Security deposits given to government authorities are shown at cost as the same are given till perpetuity.

### 32. Financial risk management

#### i) Financial instruments by category

	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	20.36	-	136.17	19.96	-	135.58
Trade receivables	-	-	26,643.77	-	-	25,849.54
Cash and cash equivalents	-	-	26,573.01	-	-	12,314.48
Loans	-	-	-	-	-	3,300.00
Other financial assets	-	-	3,017.42	-	-	2,759.92
<b>Total</b>	<b>20.36</b>	<b>-</b>	<b>56,370.37</b>	<b>19.96</b>	<b>-</b>	<b>44,359.52</b>
<b>Financial liabilities</b>						
Trade payables	-	-	35,058.23	-	-	30,671.68
Lease liabilities	-	-	830.49	-	-	892.97
Other financial liabilities	-	-	970.12	-	-	780.89
<b>Total</b>	<b>-</b>	<b>-</b>	<b>36,858.84</b>	<b>-</b>	<b>-</b>	<b>32,345.54</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

- Investment in equity instrument of subsidiary of Rs. 510 lacs (previous year Rs. 510 lacs) 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.

### ii) Risk management

The Company's activities expose it to credit risk, liquidity risk and market 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 standalone 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 to group company and receivables from 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 and receivables measured at amortised cost,
- deposits with banks, and
- other financial assets.

#### 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 risks 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 –

<b>Credit risk</b>		<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
A: Low	Cash and cash equivalents	<b>26,573.01</b>	12,314.48
	Other financial assets	<b>3,017.42</b>	2,759.92
	Trade receivables (considered good)	<b>26,643.77</b>	25,849.54
B: High	Trade receivables (significant increase in credit risk)	<b>401.94</b>	350.12

#### Cash and cash equivalents and bank deposits

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

#### Trade receivables

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### Other financial assets measured at amortised cost

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

### 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.

	As at 31 March 2023		As at 31 March 2022	
	>365 days	0 - 365 Days	>365 days	0 - 365 Days
Gross amount of trade receivables where no default (as defined above) has occurred	673.54	26,372.17	901.58	25,298.08
Expected loss rate (in %)	32.64%	0.69%	29.83%	0.32%
Expected credit loss( loss allowance provision)	219.82	182.12	268.98	81.14

### Reconciliation of loss allowance – lifetime expected credit losses

	Trade receivables
<b>Loss allowance on 1 April 2021</b>	<b>279.92</b>
Impairment loss recognised during the year	97.13
Amounts written off	(26.93)
<b>Loss allowance on 1 April 2022</b>	<b>350.12</b>
Impairment loss recognised during the year	73.90
Amounts written off	(22.08)
<b>Loss allowance as on 31 March 2023</b>	<b>401.94</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 liquidity 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 2023

(All amounts in ₹ Lacs unless otherwise stated)

31 March 2023	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payables	35,058.23	-	-	-	35,058.23
Lease liability	133.69	314.97	347.98	290.28	1,086.92
Other financial liabilities	970.12	-	-	-	970.12
<b>Total</b>	<b>36,162.05</b>	<b>314.97</b>	<b>347.98</b>	<b>290.28</b>	<b>37,115.27</b>

31 March 2022	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payables	30,671.68	-	-	-	30,671.68
Lease liabilities	131.52	291.18	324.35	471.38	1,218.44
Other financial liabilities	780.89	-	-	-	780.89
<b>Total</b>	<b>31,584.09</b>	<b>291.18</b>	<b>324.35</b>	<b>471.38</b>	<b>32,671.01</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, Great Britain Pound, Japanese Yen and Chinese Yuan. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency 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 ₹ are as follows

	Foreign Currency	As at 31 March 2023 (amount in foreign currency) (in lacs)	As at 31 March 2023 (₹ in lacs)	As at 31 March 2022 (amount in foreign currency) (in lacs)	As at 31 March 2022 (₹ in lacs)
<b>Financial liabilities</b>					
Trade payables	USD	8.47	695.69	22.33	1,692.68
	EUR	29.73	2,656.25	7.07	598.64
	GBP	2.72	276.34	1.46	145.20
	JPY	31.13	19.30	1.75	1.09
	CNY	2.23	26.67	-	-
			<b>3,674.25</b>		<b>2,437.61</b>
<b>Financial assets</b>					
Trade receivables	USD	23.70	1,947.05	75.02	5,687.43
	EUR	3.58	319.65	7.05	596.46
	GBP	-	-	0.75	74.47
			<b>2,266.70</b>		<b>6,358.36</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ 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.

	As at 31 March 2023	As at 31 March 2022
<b>USD sensitivity</b>		
INR/USD- increase by 500 bp (previous year: 500 bp)*	62.57	199.74
INR/USD- decrease by 500 bp (previous year: 500 bp)*	(62.57)	(199.74)
<b>EUR sensitivity</b>		
INR/EUR- increase by 500 bp (previous year: 500 bp)*	(116.83)	(0.11)
INR/EUR- decrease by 500 bp (previous year: 500 bp)*	116.83	0.11
<b>GBP sensitivity</b>		
INR/GBP- increase by 500 bp (previous year: 500 bp)*	(13.82)	(3.54)
INR/GBP- decrease by 500 bp (previous year: 500 bp)*	13.82	3.54
<b>JPY sensitivity</b>		
INR/JPY- increase by 500 bp (previous year: 500 bp)*	(0.97)	(0.05)
INR/JPY- decrease by 500 bp (previous year: 500 bp)*	0.97	0.05
<b>CNY sensitivity</b>		
INR/CNY- increase by 500 bp (previous year: 500 bp)*	(1.33)	-
INR/CNY- decrease by 500 bp (previous year: 500 bp)*	1.33	-

\* Holding all other variables constant

### b) Interest rate risk

#### i) Liabilities

The Company does not have any outstanding borrowings amount 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 any 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.

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Total debt	-	-
Total equity (as shown on the face of balance sheet)	<b>91,128.76</b>	81,112.38
<b>Debt equity ratio</b>	-	-

Note:

1. The Company has not declared or paid any dividend including interim dividend in current year or previous year.

### 34. Capital commitments

	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment (net of capital advances)	<b>1,531.05</b>	3,923.58
	<b>1,531.05</b>	<b>3,923.58</b>

### 35. 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 ₹ 24,167.85 lacs (previous year ₹ 15,333.77 lacs). No other single customer represents 10% or more to the revenue of the Company for financial year ended 31 March 2023 and 31 March 2022.

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

	Year ended 31 March 2023	Year ended 31 March 2022
India	<b>1,44,074.87</b>	1,10,082.97
Other countries	<b>11,805.50</b>	18,344.76
	<b>1,55,880.37</b>	<b>1,28,427.73</b>

### Carrying amount of segment trade receivables by geographical market (net of provision)

	Year ended 31 March 2023	Year ended 31 March 2022
India	<b>23,299.43</b>	18,488.86
Other countries	<b>3,344.34</b>	7,360.68
	<b>26,643.77</b>	<b>25,849.54</b>

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



## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 36. Contingent liabilities

	As at 31 March 2023	As at 31 March 2022
<b>Claims against the Company not acknowledge as debt</b>		
<b>(i) Excise duty</b>		
(a) Cases pending before Appellate authorities in respect of which the Company has filed appeals	243.40	16.43
(b) Show cause notices/Show cause notice cum demand on matters yet to be adjudicated	77.31	804.46
<b>(ii) Service tax</b>		
(a) Cases pending before Appellate authorities in respect of which the Company has filed appeals	394.14	399.96
(b) Show cause notices on issues yet to be adjudicated	75.53	75.53
<b>(iii) Value added tax/Central sales tax</b>		
(a) Cases pending before Appellate authorities in respect of which the Company has filed appeals	642.27	652.67
<b>(iv) Goods and Services Tax</b>		
(a) Show cause notices/Show cause notice cum demand on matters yet to be adjudicated	395.83	5.19
<b>(v) Income tax</b>		
(a) Cases decided in the Company's favour by Appellate authorities department has filed further appeal	-	449.02
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals	2,951.67	2,942.01
(c) Traces liability - Tax Deducted at Source	0.86	1.60
<b>(vi) Others</b>		
(a) Employee related cases	120.44	135.51

### Notes

a) Future ultimate outflow of resources embodying economic benefits in respect of the matters which are uncertain as it depends on the final outcome of the matters involved.

b) The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required, and disclosed as contingent liabilities wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on the standalone financial statements.

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 37. Related party disclosures

#### i) Ultimate Holding Company

- Pegasus Holdings One, LLC (with effect from 17 November 2022)
- Tenneco Inc, USA (upto 16 November 2022 and Intermediate holding company with effect from 17 November 2022)

#### ii) Holding Company

- Federal Mogul Holdings Limited (Mauritius)

#### iii) Subsidiary

- Federal-Mogul TPR (india) Limited

Below are the list of other related parties with whom there have been transactions with the Company

#### (a) Key managerial personnel

- Vinod Kumar Hans, Whole-Time Managing Director
- Manish Chadha, Whole-time Director-Finance & Chief Financial Officer
- Rajesh Sinha, Whole-time Director
- Dr. Khalid Iqbal Khan, Whole-time Director-Legal & Company Secretary
- Krishnamurthy Naga Subramaniam, Chairman & Independent Director
- Sundareshan Kanakku Chembakaraman Pillai, Independent Director
- Nalini Jolly, Independent Director

#### (b) Fellow subsidiaries

- Federal Mogul Burscheid GmbH, (Germany)
- Federal Mogul Nürnberg, GmbH (Germany)
- Federal Mogul Holding Deutschland GmbH (Germany)
- Federal Mogul Limited (UK)
- Federal-Mogul Gorzyce Sp. z o.o. (Poland)
- Federal Mogul Friedberg, GMBH (Germany)
- Federal Mogul Coventry Limited. (UK)
- Federal-Mogul (Thailand) Ltd. (Thailand)
- Federal Mogul Garennes SAS (France)
- Federal Mogul Sistemas Automotivos Ltda (Brazil)
- Federal Mogul Japan KK (Japan)
- Federal Mogul Motorparts LLC (USA)
- Federal Mogul Naberezhnye Chelny (Russia)
- Federal Mogul de Mexico, S. de R.L. de C.V. (Mexico)
- Federal Mogul Bearings India Limited (India) (formerly known as Federal-Mogul Anand Bearing India Limited)
- Federal-Mogul Ignition Products India Limited (India)
- Federal-Mogul Powertrain Solutions India Private Limited (India)
- Federal Mogul Sealing India Limited (India) (formerly known as Federal-Mogul Anand Sealings India Limited)
- Motocare India Private Limited (India)
- Tenneco Clean Air India Private Limited (India)
- Federal Mogul Global Aftermarket EMEA, B.V. (Belgium)
- Federal Mogul Powertrain Otomotiv A.S. (Turkey)
- Federal Mogul Powertrain LLC (USA)
- Piston Rings UK Limited (UK)
- Tenneco Automotive Operating Co. Inc. (USA)
- Federal Mogul TP Europe GmbH & Co. KG (Germany)
- Federal Mogul Weston (USA)
- Federal Mogul Aftermarket Southern Africa (Pty) Ltd. (South Africa)
- Federal-Mogul ARN (Anqing) Powder Limited (China)
- Federal Mogul Corporation (Southbend, USA)
- VTD Vakuumtechnik Dresden GmbH (Germany)

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### Related party transactions

a)

	Intermediate holding company	
	Tenneco Inc. (USA)	
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
<b>Transaction during the year</b>		
a. Amount recoverable by the Company in respect of expenditure incurred by the Company	<b>135.33</b>	3.22
<b>Balance outstanding at the end of year</b>		
a. Receivables	<b>206.57</b>	135.49

b)

		Fellow Subsidiaries									
		Tenneco Automotive Operating Co. Inc (USA)		Federal Mogul Burscheid GmbH (Germany)		Federal Mogul Motorparts LLC (USA)		Federal Mogul Powertrain Automotive A.S. (Turkey)		Federal Mogul Global Aftermarket EMEA, B.V. (Belgium)	
Transaction during the year		1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	
a.	Sale of products#	-	-	10.65	-	2,462.78	4,870.46	155.99	222.11	118.74	268.95
b.	Purchase of raw materials and components#	-	753.06	320.61	-	-	-	-	-	-	-
c.	Purchase of property, plant and equipment	-	278.38	1,290.26	-	-	-	-	-	-	-
d.	Share-based payment (refer note 46)	336.99	-	-	-	-	-	-	-	-	-
e.	Amount recoverable by the Company in respect of expenditure incurred by the Company	-	119.49	156.04	-	-	-	-	-	-	-
f.	Royalty expense	-	805.41	985.65	-	-	-	-	-	-	-
<b>Balance outstanding at the end of year</b>											
a.	(Payables)	-	(353.47)	(1,507.98)	-	-	-	-	-	-	-
b.	Receivables	-	223.45	122.52	223.45	1,093.27	4,403.27	35.23	42.08	58.86	118.28

b)

	Fellow Subsidiaries									
	Federal Mogul Nurnberg GMBH (Germany)		Federal Mogul (Thailand) Limited		Federal Mogul Holding Deutschland GmbH (Germany)		Federal Mogul Naberezhnye Chelny (Russia)		Federal Mogul Powertrain LLC	
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
<b>Trasnactions during the year</b>										
a. Sale of products#	<b>0.50</b>	1.58	<b>2,411.03</b>	4,771.71	-	-	<b>(7.40)</b>	1,009.20	<b>213.44</b>	274.49
b. Purchase of raw materials and components#	<b>61.50</b>	89.19	-	-	-	-	-	-	<b>808.54</b>	463.46
c. Purchase of property, plant and equipment	<b>1,041.00</b>	518.57	-	-	-	-	-	-	<b>512.47</b>	560.03
d. Management Support charges (also refer note 44)	-	-	-	-	<b>3,414.99</b>	3,241.28	-	-	-	-
e. Royalty expense	<b>1,572.59</b>	1,187.09	-	-	-	-	-	-	-	-
f. Software license fees	<b>0.86</b>	-	-	-	-	-	-	-	-	-
<b>Balance outstanding at the end of year</b>										
a. (Payables)	<b>(776.78)</b>	(322.25)	-	-	<b>(836.73)</b>	-	-	-	<b>(214.55)</b>	(342.06)
b. Receivables	<b>2.15</b>	10.19	<b>387.47</b>	457.55	-	48.96	<b>195.58</b>	202.97	<b>77.26</b>	253.43

b)

	Fellow Subsidiaries									
	Federal-Mogul de Mexico, S. de R.L. de C.V. (Mexico)		Federal Mogul Coventry Limited (UK)		Federal Mogul Friedberg, GMBH (Germany)		Federal Mogul Limited (UK)		Federal Mogul Corporation - Gorzyce Sp. z o.o. (Poland)	
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
<b>Trasnactions during the year</b>										
a. Sale of products#	-	-	-	134.98	15.33	-	-	-	-	-
b. Purchase of raw materials and components#	57.82	8.14	620.36	455.98	1.47	-	-	-	114.24	320.88
c. Trade-mark & license fees	-	-	-	-	-	-	-	160.55	-	-
d. Royalty expense	-	-	472.42	352.50	-	-	-	-	-	-
<b>Balance outstanding at the end of year</b>										
a. (Payables)	(28.76)	(0.89)	(382.80)	(236.52)	-	-	(86.08)	(37.12)	(0.15)	-
b. Receivables	-	-	-	74.17	-	-	-	-	-	-

c)

		Fellow Subsidiaries								
		Federal Mogul Bearings India Limited (India)		Federal Mogul Ignition Products India Limited (India)		Tenneco Clean Air India Pvt Ltd (India)		Federal Mogul Powertrain Solutions India Private Ltd (India)		Motocare India Private Limited (India)
		1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023
<b>Transactions during the year</b>										
a. Sale of products#		-	-	-	-	-	-	-	-	6,876.75
b. Purchase of raw materials and components#		-	-	-	-	-	-	-	-	6.68
c. Reimbursement of expenses incurred on behalf of Company	20.93	-	69.71	-	27.20	103.24	-	-	7.80	-
d. Amount recoverable by the Company in respect of expenditure incurred by the Company	7.12	7.12	-	-	-	18.22	53.57	119.94	-	-
e. Management support income	-	-	-	24.00	27.83	-	-	-	-	-
f. Selling administration & distribution expenses	-	-	-	-	-	-	-	-	-	218.52
<b>Balance outstanding at the end of year</b>										
a. (Payables)	-	-	(82.31)	(23.05)	-	-	(0.84)	(612.31)	(121.42)	(112.79)
b. Receivables	5.34	49.87	11.59	49.56	21.24	610.03	9.19	1,383.44	889.83	



	Fellow Subsidiaries							
	Federal Mogul Sealing India Limited (India)		Federal Mogul Corporation - Southbend		Other fellow subsidiaries		Grand Total	
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
<b>Transactions during the year</b>								
a. Sale of products#	-	-	-	164.74	<b>12.55</b>	35.08	<b>12,270.37</b>	18,342.31
b. Purchase of raw materials and components#	-	-	<b>1.42</b>	49.84	<b>2.98</b>	14.01	<b>1,995.60</b>	2,154.57
c. Purchase of property, plant and equipment	-	-	-	605.96	-	-	<b>2,843.73</b>	1,962.95
d. Reimbursement of expenses incurred on behalf of Company	-	-	-	-	-	-	<b>96.92</b>	131.97
e. Amount recoverable by the Company in respect of expenditure incurred by the Company	-	27.10	-	-	<b>10.90</b>	-	<b>227.64</b>	291.88
f. Share-based payment (refer note 46)	-	-	-	-	-	-	<b>336.99</b>	-
g. Selling administration & distribution expenses	<b>2.42</b>	1.23	-	-	-	-	<b>220.94</b>	175.75
h. Inter-corporate deposit (ICD) Given	<b>100.00</b>	3,300.00	-	-	-	-	<b>100.00</b>	3,300.00
I. Inter-corporate deposit (ICD) received back	<b>3,400.00</b>	-	-	-	-	-	<b>3,400.00</b>	-
j. Liability written back	-	-	-	-	<b>16.47</b>	-	<b>16.47</b>	-
k. Interest income on ICD	<b>268.66</b>	102.05	-	-	-	-	<b>268.66</b>	102.05
l. Management Support charges (also refer note 44)	-	-	-	-	-	-	<b>3,414.99</b>	3,241.28
m. Management support income	-	-	-	-	-	-	<b>24.00</b>	27.83
n. Royalty expense	-	-	-	-	-	-	<b>3,030.66</b>	2,345.00
o. Trade-mark & license fees	-	-	-	-	-	-	<b>188.22</b>	160.55
p. Software license fees	-	-	-	-	-	-	<b>0.86</b>	-
<b>Balance outstanding at the end of year</b>								
a. (Payables)	-	-	<b>(47.24)</b>	(602.57)	<b>(1.07)</b>	(18.28)	<b>(4,109.76)</b>	(2,638.31)
b. Receivables	<b>1.76</b>	28.85	<b>116.64</b>	122.38	<b>33.89</b>	21.93	<b>3,583.75</b>	7,590.07
c. Loan (ICD) receivable	-	3,300.00	-	-	-	-	-	3,300.00
d. Other receivable-interest accrued on ICD	-	22.07	-	-	-	-	-	22.07

Particulars	Subsidiary Federal-Mogul TPR India Limited	
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
<b>Transactions during the year</b>		
a. Sale of products#	1,289.30	1,200.95
b. Purchase of raw materials and components#	5,604.99	5,487.88
c. Sale of property, plant and equipment	-	597.70
d. Dividend income	318.75	295.80
e. Management support income	581.73	636.42
f. Job work income	1,345.37	1,459.11
g. Rental income	99.08	99.08
h. Commission income	473.67	450.76
<b>Balance outstanding at the end of year</b>		
a. (Payables)	(2,090.28)	(1,220.00)
b. Receivables	47.66	42.22



## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 38. Leases

#### (i) Assets taken on lease

#### (i) Right-of-use

Following are the changes in the carrying value of right-of-use for the year ended 31 March 2023

	Category of Right-of-use assets			
	Leasehold land	Buildings	Office Equipment	Total
<b>Gross carrying value</b>				
<b>As at 1 April 2021</b>	<b>362.87</b>	<b>1,327.56</b>	<b>8.39</b>	<b>1,698.82</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at 31 March 2022</b>	<b>362.87</b>	<b>1,327.56</b>	<b>8.39</b>	<b>1,698.82</b>
Additions	-	-	-	-
Disposals	-	(363.52)	(8.39)	(371.91)
<b>As at 31 March 2023</b>	<b>362.87</b>	<b>964.04</b>	<b>-</b>	<b>1,326.91</b>
<b>Accumulated depreciation</b>				
<b>As at 1 April 2021</b>	<b>21.40</b>	<b>387.22</b>	<b>5.17</b>	<b>413.79</b>
Depreciation charge for the year	4.28	119.98	2.58	126.84
Disposals	-	-	-	-
<b>As at 31 March 2022</b>	<b>25.68</b>	<b>507.20</b>	<b>7.75</b>	<b>540.63</b>
Depreciation charge for the year	4.28	111.76	0.64	116.68
Disposals	-	(363.52)	(8.39)	(371.91)
<b>As at 31 March 2023</b>	<b>29.96</b>	<b>255.44</b>	<b>-</b>	<b>285.40</b>
<b>Net carrying value</b>				
<b>As at 31 March 2022</b>	<b>337.19</b>	<b>820.36</b>	<b>0.64</b>	<b>1,158.19</b>
<b>As at 31 March 2023</b>	<b>332.91</b>	<b>708.60</b>	<b>-</b>	<b>1,041.51</b>

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortization expense in the Standalone Statement of Profit and Loss. (refer note 27)

#### The following is the break-up of current and non-current lease liabilities:

	As at 31 March 2023	As at 31 March 2022
Non-current lease liabilities	761.14	830.50
Current lease liabilities	69.35	62.47
	<b>830.49</b>	<b>892.97</b>

#### The following is the movement in lease liabilities:

	As at 31 March 2023	As at 31 March 2022
Opening balance	892.97	961.23
Additions	-	-
Interest on lease liabilities	69.04	74.41
Deletions	-	-
Payment of lease liabilities	(131.52)	(142.67)
<b>Closing balance</b>	<b>830.49</b>	<b>892.97</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

	As at 31 March 2023	As at 31 March 2022
Less than one year	133.69	131.52
One to five years	662.95	615.53
More than five years	290.28	471.39

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:

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation expense of right-of-use assets	116.68	126.84
Interest expense on lease liabilities	69.04	74.41
Rent expense relating to short-term leases (included in other expenses)	68.40	65.88
	<b>254.12</b>	<b>267.13</b>

### (ii) Lease related disclosures

(a) The Company has leases for land, 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, buildings and office equipment.

(b) Total cash outflow for leases (including short-term leases and low value leases) for the year ended 31 March 2023 was ₹ 199.92 lacs (31 March 2022 ₹208.55 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	72-73 Years	72 Years	1	-	1
Buildings	1	80 months	80 months	1	-	1

(e) There are no leases which are yet to commence as on 31 March 2023.

### (II) Assets given under operating lease

#### 1. Future minimum lease payments receivable:

	Year ended 31 March 2023	Year ended 31 March 2022
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 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 39. Employee benefit obligations

#### (a) Defined contribution plan

The Company has recognised the following amount in the Standalone Statement of Profit and Loss:

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Employers' contribution to:</b>		
Provident fund	1425.56	1371.53
Employee's State Insurance contribution (ESIC) fund	84.59	54.55
National Pension Scheme (NPS)	57.28	59.05

#### (b) Defined benefits plans

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 Standalone Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

The plan typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### Disclosure of gratuity

##### (i) Amount recognised in the Standalone Statement of Profit and Loss is as under:

	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	554.52	568.39
Interest cost	718.97	676.78
Expected return on plan assets	(603.72)	(517.08)
<b>Amount recognised in the Standalone Statement of Profit and Loss</b>	<b>669.77</b>	<b>728.09</b>

##### (ii) Remeasurement loss/(gain) recognised in other comprehensive income

	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial (gain) on obligations arising from changes in demographic adjustments	(21.87)	-
Actuarial loss/(gain) on obligations arising from changes in experience adjustments	339.09	(183.83)
Actuarial (gain)/loss on obligations arising from changes in financial assumptions	(269.45)	45.60
<b>Remeasurements of the post employment defined benefit plans loss/(gain)</b>	<b>47.77</b>	<b>(138.23)</b>
Return on plan assets	121.04	(1.95)
<b>Remeasurements of the post employment defined benefit plans loss/(gain) recognised in OCI</b>	<b>168.81</b>	<b>(140.18)</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### iii) Movement in the liability recognised in the Standalone Balance Sheet is as under:

	Year ended 31 March 2023	Year ended 31 March 2022
Present value of defined benefit obligation as at the beginning of the year	10,428.65	10,249.75
Current service cost	554.52	568.39
Interest cost	718.97	676.78
Remeasurements of the post employment defined benefit plans loss/(gain)	47.77	(138.23)
Benefits paid from the fund	(1,105.37)	(928.04)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>10,644.54</b>	<b>10,428.65</b>

### (iv) Movement in the plan assets recognised in the Standalone Balance Sheet is as under:

	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets at beginning of year	8,624.56	7,717.58
Expected return on plan assets	603.72	517.08
Contributions by employer	1,087.88	1,315.99
Benefits paid	(1,105.37)	(928.04)
Remeasurements of the post employment defined benefit plans (loss)/gain	(121.04)	1.95
<b>Fair value of plan assets at the end of the year</b>	<b>9,089.75</b>	<b>8,624.56</b>

	As at 31 March 2023	As at 31 March 2022
Defined benefit obligation	10,644.54	10,428.65
Fair valuation of plan assets	9,089.75	8,624.56
	<b>1,554.79</b>	<b>1,804.08</b>

### (v) Risk exposure

#### i) Changes in discount rate

A decrease in discount yield will increase plan liabilities.

#### ii) Mortality table

The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in plan liabilities.

#### iii) Salary increase

Actual salary increase will increase the plan's liabilities. Increase in salary rate assumption in future valuation will also increase the valuation.



## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### (vi) Plan assets

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

	As at 31 March 2023	As at 31 March 2022
Insurance company products	97.33%	95.72%
Equity shares	0.00%	0.00%
Bonds (including accrued interest)	0.00%	0.00%
Investment funds	2.19%	2.62%
Cash	0.48%	1.66%

### (vii) Actuarial assumptions

	As at 31 March 2023	As at 31 March 2022
Method used	Projected Unit Credit	Projected Unit Credit
Discount rate	7.40% p.a.	7.00% p.a.
Normal retirement age*	60 years	60 years
Employee turnover#	1% - 6%p.a.	1% - 4.3%p.a.
Expected rate of return on plan assets	7.40% p.a.	7.00% p.a.
Salary increase rate#	3% - 9%p.a.	3% - 9%p.a.
Mortality rate	Indian Assured Lives Mortality (IALM) (2006-08) (modified)	Indian Assured Lives Mortality (IALM) 2006-08) (modified)

\* For Patiala unit workers joined before 2005 and Bengaluru unit workers its 60 years 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.

### (viii) A quantitative sensitivity analysis for significant actuarial assumptions is given as:

	As at 31 March 2023	As at 31 March 2022
<b>Impact of the change in discount rate on liability- increase/(decrease)</b>		
- Impact due to increase of 0.50 %	(336.52)	(355.53)
- Impact due to decrease of 0.50 %	323.00	344.41
<b>Impact of the change in salary increase on liability- increase/(decrease)</b>		
- Impact due to increase of 0.50 %	281.01	299.06
- Impact due to decrease of 0.50 %	(304.29)	(320.86)

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:

	As at 31 March 2023
Year 1	327.23
Year 2	1,370.50
Year 3	1,527.26
Year 4	1,662.98
Year 5	1,611.95
Next 5 years	8,244.25

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 40. Disclosure under section 186(4) of the Companies Act, 2013

	As at 31 March 2023	As at 31 March 2022
<b>Loans given*</b>		
Federal Mogul Sealing India Limited		
At the beginning of the year	3,300.00	-
Given during the year	100.00	3,300.00
Received back during the year	(3,400.00)	-
<b>At the end of the year</b>	<b>-</b>	<b>3,300.00</b>

\* For the purpose of business of the fellow subsidiary.  
In respect of investments made in earlier years, refer note 4.

### 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.

#### b Disaggregation of revenue

Revenue recognised mainly comprises of sale of products which majorly comprises of piston, piston rings and other automotive components. Set out below is the disaggregation of the Company's revenue from contracts with customers:

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Revenue from contracts with customers</b>		
Sale of products (point of sale)		
Domestic	1,44,074.87	1,10,082.97
Export	11,805.50	18,344.76
<b>Other operating income</b>	<b>4,973.86</b>	<b>3,769.94</b>
<b>Total revenue covered under Ind AS 115</b>	<b>1,60,854.23</b>	<b>1,32,197.67</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### c Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Contract liabilities</b>		
Advances from consumers	407.14	254.73
Deposits from dealers	341.64	379.10
<b>Total contract liabilities</b>	<b>748.78</b>	<b>633.83</b>
<b>Receivables</b>		
Trade receivables	27,045.71	26,199.66
Less : Allowances for expected credit loss	(401.94)	(350.12)
<b>Net receivables</b>	<b>26,643.77</b>	<b>25,849.54</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 Reconciliation of revenue recognised with contract price

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Revenue from contracts with customers</b>		
Sale of products (Gross)	1,57,554.83	1,30,749.73
Less: Discounts and rebates (refer note h below)	(1,674.46)	(2,322.00)
<b>Total revenue covered under Ind AS 115</b>	<b>1,55,880.37</b>	<b>1,28,427.73</b>

### e Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	As at 31 March 2023		As at 31 March 2022	
	Contract Liabilities		Contract Liabilities	
	Advances from customers	Deposits from dealers	Advances from customers	Deposits from dealers
Opening balance	254.73	379.10	222.10	393.67
Additions during the year	3,994.37	30.53	6,360.20	31.68
Revenue recognised during the year/amount refunded (3,841.96)		(67.99)	(6,327.57)	(46.25)
<b>Closing balance</b>	<b>407.14</b>	<b>341.64</b>	<b>254.73</b>	<b>379.10</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### f 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."

### g 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).

### h 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.

## 42. Details of dues to micro enterprises 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:

	As at 31 March 2023	As at 31 March 2022
a The principal amount remaining unpaid as at the end of year	2,117.47	1,614.26
b Interest due on above principal and remaining unpaid as at the end of the year	0.35	0.29
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.	13.68	6.69
e The amount of interest accrued and remaining unpaid at the end of each accounting year; and	14.03	6.98
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	-	-

## 43. Provision for regulatory matters

The Company is involved in various legal, tax (direct and indirect taxes) and certain regulatory matters (litigations), the outcome of which may not be favourable to the Company. The Company is actively seeking to resolve these actual and potential statutory, taxation and regulatory matters. Management is in consultation with the legal, tax and other advisers to assess the likelihood that a pending claim will succeed. The Company has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

Based on management assessment on likelihood, timing of cash outflows (current/non-current), interpretation of local laws, pending disposal of these matters and consultations obtained from the management experts, where considered necessary in respect of these matters, the management has recognised for provision for legal, tax and other regulatory matters amounting to Rs 1,122.79 lacs as at

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

31 March 2023 (Previous year: Rs. 1605.66 lacs) in accordance with Indian Accounting Standard (Ind AS) 37 on 'Provisions, Contingent liability and Contingent assets.

### 44. Management support charges

During the financial year 2022-23, the Company has paid the management support charges under cost allocation agreement with Federal Mogul Holding Deutschland GmbH to ₹ 3,414.99 lacs (previous year ₹ 3,241.28 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.

**45.** As 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 standalone financial statements and the independent consultants appointed have also preliminarily confirmed that they do not expect any transfer pricing adjustments.

**46.** During the earlier years, Tenneco Inc. (the Ultimate Holding Company till 16 November 2022 and intermediate holding company w.e.f. 17 November 2022) had granted certain share-settled restricted stock units (RSUs) to an eligible employee of the Company which vest on the grant date.

RSUs are time-based service awards and generally vest according to a three-year graded vesting schedule. One-third of the award will vest on the first anniversary of the grant date, one-third of the award will vest on the second anniversary, and one-third of the award will vest on the third anniversary.

During the year, all the common stock of Tenneco Inc. got delisted from New York Stock Exchange effective 17 November 2022 and each of the Tenneco's outstanding awards of RSUs which were subject solely to service-based vesting conditions at such date have become fully vested and stood cancelled in exchange for the right to receive an equivalent amount in cash (subject to tax deducted at source). All the outstanding RSUs at such effective date have been settled in cash by Tenneco Inc. at price of USD 20 per RSUs. In terms of understanding reached, the Company has paid Rs. 302.18 lacs to the eligible employee of the Company and recovered the same from group company (Refer note 37).

Further, the Company has recognized share-based payment amounting Rs. 419.52 lacs (including amount of Rs. 252.85 lacs pertaining to period prior to 31 March 2022 determined by management on the basis of graded vesting schedule) as an expense under employee benefit expense (refer note 25) with a corresponding credit to Other equity as Deemed capital contribution (refer note 13).

### 47. 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 ₹ 73.31 lacs (previous year ₹ 110.60 lacs).

b) Amount spent during the year on-

	Year ended 31 March 2023			Year ended 31 March 2022		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	75.76	-	75.76
(ii) On purposes other than (i) above	54.77	-	54.77	42.62	-	42.62
	<b>54.77</b>	<b>-</b>	<b>54.77</b>	<b>118.38</b>	<b>-</b>	<b>118.38</b>

c) Above expenses does not include contribution to any related party of the Company.

d) The Company does not carry any provisions for corporate social responsibility expenses for current year and previous year.

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### e) Details of (excess)/short amount spent:

	Opening balance	Amount required to be spent during the year	Amount spent during the year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Closing balance
				Name of the fund	Amount	Date of Transfer	
As at 31 March 2023	(7.78)	73.31	54.77	PM Cares Fund	10.76	12-May-23	-
As at 31 March 2022	-	110.60	118.38	NA	NA	NA	(7.78)

### f) Details of other than ongoing projects:

	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance*	
	With Company	In Separate CSR Unspent A/c		From Company's bank account	In Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
31 March 2023	(7.78)	-	73.31	54.77	-	10.76	-
31 March 2022	-	-	110.60	118.38	-	(7.78)	-

\* The Company subsequent to the year end transferred the unspent CSR amount of ₹ 10.76 lacs to PM Cares Fund.

g) The Company's Corporate social responsibility activities involve promotion of education, environment protection, protection of wild life and preventive healthcare.

### h) Amount of shortfall

	Year ended 31 March 2023	Year ended 31 March 2022
(i) The amount of shortfall at the end of the year out of amount required to be spent by the Company during the year,	10.76	-
(ii) total of previous years shortfall,	-	-
(iii) reason for shortfall,	The CSR amount was decided to be spent on "on-going projects" in the field of education over a period of time in line with the MOUs signed with the CSR partner.	-

**Notes to the Standalone Financial Statements for the year ended 31 March 2023**  
(All amounts in ₹ Lacs unless otherwise stated)

**48. Ratios as per Schedule III requirements:**

<b>Ratio</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Unit</b>	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>% variance</b>	<b>Reason for variance</b>
(a) Current ratio	Current assets	Current liabilities	Times	1.87	1.77	5.65%	-
(b) Debt-equity ratio	Total debt	Shareholder's equity	Times	-	-	-	-
(c) Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	Times	37.12	29.40	26.26%	Debt service coverage ratio is increased mainly due to increase in net profit from operation and other income.
(d) Return on equity ratio	Profit after tax for the year less Preference dividend (if any)	Average total equity	%	11.29%	6.73%	67.76%	Return on equity ratio is increased mainly due to increase in net profit of the Company.
(e) Inventory turnover ratio	Revenue from operations	Average inventories	Times	9.02	7.63	18.22%	-
(f) Trade receivables turnover ratio	Net credit sales	Average trade receivable	Times	6.13	5.13	19.49%	-
(g) Trade payables turnover ratio	Net credit purchases	Average trade payables	Times	2.10	1.79	17.32%	-
(h) Net capital turnover ratio	Net sales	Working capital	Times	4.59	4.91	-6.52%	-
(i) Net profit ratio	Net Profit after tax	Net Sales	%	6.04%	3.99%	51.38%	Debt service coverage ratio is increased mainly due to increase in net profit from operation and other income.
(j) Return on capital employed	Earning before interest and taxes	Capital employed = Tangible net worth + Total debt + Deferred tax (asset)/liability	%	14.57%	9.27%	57.17%	Higher return on capital employed is on account of improved profitability represented by higher profit before interest, tax during the year.
(k) Return on investment	Income generated from invested funds	Average invested funds in treasury investments	%	6.04%	6.43%	-6.07%	-

Note: Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Since there are only four instances where the change is more than 25% i.e. Debt service coverage ratio, Return on equity ratio, Net profit ratio and Return on capital employed, hence explanation is given only for the said ratios.



## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 49. Additional Disclosures

- a) The title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
  - b) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
  - c) The Company has not revalued its property, plant and equipment (including right-of-use assets) or Intangible assets or both during the year.
  - d) The Company has been sanctioned working capital amounts from banks on the basis of security of Inventories, Cash and Cash Equivalents and Trade Receivables. The returns being filed by the Company with banks are in line with the books of account.
  - e) The Company has not been declared willful defaulter by any bank or financial institution or other lender during the year.
  - f) The Company does not have any material transactions with companies which were struck off under section 248 of the Companies Act, 2013.
  - g) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
  - h) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
  - i) As per the MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up on daily basis of such books of account and other relevant books and papers maintained in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create backup of accounts on servers physically located in India on a daily basis. The books of account along with other relevant records and papers of the Company are maintained in electronic mode. These are readily accessible in India at all times however backup is not maintained in India.
  - j) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
  - k) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - l) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - m) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - n) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - o) As per records maintained by the Company, there are no charges which are pending to be registered with Registrar Of Companies (ROC). Further, in respect of credit facilities availed and settled in earlier years to the extent of ₹ 12,560 lacs, satisfaction of charges are yet to be registered with ROC beyond the statutory period. The Company is taking necessary steps for rectifying of ROC records in respect of the same.
- 50.** The financial statements of the Company for the year ended 31 March 2022 (Comparative Financial Information), were audited by Walker Chandio & Co LLP, Chartered Accountants, the predecessor auditor. The report of predecessor auditor on these Comparative Financial Information dated 20 May 2022 expressed an unmodified opinion.

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

**Vinod Kumar Hans**

Whole Time Managing Director

DIN : 03328309

Place: Gurugram

Date: 22 May 2023

**Manish Chadha**

Chief Financial Officer  
& Finance Director

DIN : 07195652

**Dr. 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 26<sup>th</sup> Annual Report and Audited Financial Statement of Accounts for the financial year ending 31<sup>st</sup> March, 2023.

### FINANCIAL RESULTS

(₹ in Lacs)

Particulars	Year ended 1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	Year ended 1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022
Gross Sales	10,799.30	10,236.01
Less: Excise duty	-	-
Income from operations	10,799.30	10,236.01
Other income	233.03	218.45
<b>Total Income</b>	<b>11,032.33</b>	<b>10,454.46</b>
<b>Operating profit before finance charges, depreciation, and exceptional item</b>	<b>2,267.39</b>	<b>2,039.28</b>
Finance Charges	27.57	31.48
Depreciation	717.74	679.76
Exceptional items	-	-
<b>Net Profit before tax</b>	<b>1,522.08</b>	<b>1,328.04</b>
Provision for the Taxation:		
Current Tax	226.57	369.05
Tax earlier year		
Less: Deferred Tax	(33.25)	(16.50)
<b>Profit after tax</b>	<b>1,328.76</b>	<b>975.49</b>
Other comprehensive income (net of taxes)	0.92	(4.17)
<b>Total Comprehensive Income</b>	<b>1,327.84</b>	<b>979.66</b>
Profit brought forward from last year	10,614.56	10,214.90
<b>Net profit available for appropriation</b>	<b>11,942.40</b>	<b>11,194.56</b>
<b>Appropriation:</b>		
Transfer to general reserve		
Dividend:		
Equity Shares	(625.00)	(580.00)
Tax and Cess on dividend - equity		
<b>Surplus / (loss) carried forward to Balance sheet</b>	<b>11,317.40</b>	<b>10,614.56</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 2023 was Rs. 11032.33 lakhs as against Rs. 10,454.46 lakhs for the financial year ended 31<sup>st</sup> March 2022.

During the year under review, the Company made a net profit after tax of Rs. 1,328.76 lakhs for the financial year ended 31<sup>st</sup> March 2023 as against the net profit after tax of Rs. 975.49 lakhs for the financial year ended 31<sup>st</sup> March 2022.

No amount is proposed to be transferred to the general reserves. The Company proposed a dividend of Rs. 865 lakhs for the financial year ended 31<sup>st</sup> March 2023.

### SECRETARIAL AUDITORS

The Company had appointed Deepika Gera, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the Financial Year ended 31<sup>st</sup> March 2023. 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 re-appointed Deepika Gera, Company Secretaries, New Delhi, as Secretarial Auditor of the Company for the FY 2023-24.

### MATERIAL CHANGES AND COMMITMENTS

No material change, which could affect the financial position of the Company, occurred during the financial year 2022-23 and up to the date of the Board Report.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Presently your Board consists of seven (7) directors viz Mr. Vinod Kumar Hans, Chairman and Non-Executive Director; Mr. Krishnamurthy Naga Subramaniam, Non-Executive Independent Director; Dr. Khalid Iqbal Khan, Non-Executive Director; Mr. Rajesh Sinha, Non-Executive 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, Dr. Khalid Iqbal Khan and Mr. Toshiaki Imai, 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.

The tenure of Mr. Toshiaki Imai as a Whole-time Director is due to expire on 28<sup>th</sup> June, 2023 and accordingly, in the Board Meeting held on 15<sup>th</sup> May, 2023, he was re-appointed as a Whole-time Director for a further period of 3 (three) years with effect from 29<sup>th</sup> June, 2023, subject to the approval of the shareholders.

#### C) Independent Director

The Company has received declaration from the Independent Director confirming his independence as per the criteria prescribed under Section 149(6) of the Companies Act, 2013.

No Independent Director was appointed during the year.

### MEETINGS OF THE BOARD OF DIRECTORS

A calendar of meetings was prepared and circulated in advance to the Directors. During the year 05 (Five) Board Meetings were held in compliance with the provisions of the Companies Act, 2013 and the Secretarial Standards issued by the Institute of Company Secretaries of India. The details of the Board Meetings held during the financial year 2022-23 are given below:

Date of the meeting	Total strength of the Board	No. of Directors Present
16 <sup>th</sup> May 2022	07	07
8 <sup>th</sup> August 2022	07	07
9 <sup>th</sup> September 2022	07	07
10 <sup>th</sup> November 2022	07	06
14 <sup>th</sup> February 2023	07	06

### 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 of 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 16<sup>th</sup> May 2022.



## **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 2023 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March 2023;
- (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**

The Board has recommended a final dividend @ Rs. 8.65/- (Rupees Eight and Sixty-Five paise only) per Equity Share, aggregating to Rs. 865 lakhs for the financial year ended 31<sup>st</sup> March 2023.

## **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**

There were no loans taken or investments made by the Company during the financial year 2022-23 under Section 186 of the Companies Act, 2013 read with rules made thereunder.

## **RELATED PARTY TRANSACTIONS**

During the financial year 2022-23, the Company has entered into related party transactions in terms of the Companies Act, 2013 read with rules made thereunder, 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 thereunder. 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-B** 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 4<sup>th</sup> 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:



## FEDERAL-MOGUL TPR (INDIA) LIMITED

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

The Corporate Social Responsibility Committee shall institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by Company. Pursuant to the provisions of Companies Act, 2013, the Company is required to spend at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years.

The activities and initiatives undertaken by the Company during the financial year 2022-23 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 had approved Rs. 26,93,795 /- for spending on CSR activities during the financial year 2023-24.

### SUBSIDIARY AND ASSOCIATE COMPANY

The Company has no subsidiary and/or associate Company.

### PUBLIC DEPOSITS

As at 31<sup>st</sup> March, 2023, 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, as given and amended by Institute of Company Secretaries of India have been duly followed by the Company.

### AUDITORS

#### Statutory Auditors & Auditors' Report

At the 25<sup>th</sup> Annual General Meeting (AGM) of the Company, Deloitte Haskins & Sells LLP, having firm registration no. 117366W/W-100018 were appointed as Statutory Auditors as per Section 139 and 141 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 to hold office till the conclusion of 30th Annual General Meeting to be held in the calendar year 2027.

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

#### Internal Auditors

The Board has approved the appointment of KPMG, Chartered Accountants as the Internal Auditors, for the financial year ending March 31<sup>st</sup>, 2024.

#### Cost Auditors

The Board has approved the appointment of Sanjay Gupta & Associates, Cost Accountant as Cost Auditors, for the financial year ending 31<sup>st</sup> March, 2024. The Cost Auditors shall submit their report for the financial year ending 2022-23 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.



The Company falls within the criteria as specified for maintaining cost records under Section 148(1) of Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 as amended from time to time. The Company has maintained proper cost records as per the provisions of the Companies Act, 2013.

#### **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 2022-23.

No. of Complaints received: NIL

No. of complaints disposed-off: NIL

During the year, the Company carried out awareness programs 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 equipment's 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.

#### **CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)**

There is no corporate insolvency resolution process initiated by or against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC).

#### **DETAILS OF THE DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS**

Not Applicable.

#### **ACKNOWLEDGMENT**

Your Directors would like to express their 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 banks, dealers, vendors, customers, government authorities and all the other business associates during the year under review 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: - 15<sup>th</sup> May, 2023

Place: Gurugram





**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st March, 2023**

[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**

I 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 my 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, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 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:

I 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, 2023 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 – **Not Applicable;**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not Applicable**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **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 and Sweat Equity) Regulations, 2021- **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 Non-Convertible 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, 2021 - **Not applicable as the Company is not a listed Company;**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the year under review.**

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has declared final dividend of Rs. 6.25/- (Rupees Six and Twenty-Five paise only) per equity share of Rs. 10/- each for the financial year 2021-22 to its shareholders. In this regard, the Company has complied with the





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## FEDERAL-MOGUL TPR (INDIA) LIMITED

applicable provisions of the 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 suggestions were made to the Company during the audit which were diligently carried out by the Company under the review period itself.

I further report that:

- The Compliance by the Company of the applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and an Independent Director. There were no changes in the composition of the Board of Directors during the period under review which required the compliance with the provisions of the Act.
- Adequate notices were 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 meetings.
- Majority decisions were carried through. The dissenting members' views were not required to be captured and recorded as part of the minutes as there was no such instance.
- During the audit period there were no other specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

**For DEEPIKA GERA, COMPANY SECRETARIES**

**FCS No. 3531**

**C P No: 7487**

**Peer Review No. 2081/2022**

**UDIN NO. F003531E000230835**

**Place: NEW DELHI**

**Date: 1<sup>st</sup> May, 2023**

*Note: This report is to be read with letter of even date by the secretarial auditor, which is annexed as 'Annexure A' and forms an integral part of this report.*



## FEDERAL-MOGUL TPR (INDIA) LIMITED

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**'Annexure A'**

To,  
The Members,

### **Federal Mogul TPR (India) Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. I believe that the process and practice I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. 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.
7. The audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by/ obtaining from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

**For DEEPIKA GERA, COMPANY SECRETARIES**

**FCS No. 3531**

**C P No: 7487**

**Peer Review No. 2081/2022**

**UDIN NO. F003531E000230835**

**Place: NEW DELHI**

**Date: 1<sup>st</sup> May, 2023**

**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 Companies Act, 2013 and Companies (Accounts) Rules, 2014]

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

- Energy Audits were conducted across the facility
- In-process of EnMS certification
- Installation of smart meters being initiated
- Initiated phased wise replacement of IE2 motors to IE5 motors
- Monitoring of energy, power factor and controlling to save energy
- LED lighting system as a part of energy conservation program – 100% completion
- Installed Air reservoirs for supporting the compressor
- Initiated Purchase of compressed air energy efficient Nozzles are being put at manufacturing operations to reduce the load on compressors
- Daylight system available in plant.
- Overall improvement of Power factor by adding capacitor banks (Target of 0.99)
- The machines being sent for refurbishment are being checked for energy consumption patterns and accordingly the devices are replaced with latest technology, resulting into reduction of consumption of electricity
- Upgradation of STP, ETP and ACWTP completed for conservation of energy
- Conservation of energy by installing thyristor drivers in Heat treatment furnaces
- Energy saving logics are introduced in machines, which switches off the hydraulics or the machines during the idle times
- Variable frequency drives (VFD's) are installed to higher Capacity motors to reduce energy
- Relay outing of the machines to isolate the Usage of deducting units consuming high energy and isolation of such devices
- Initiated compressor excess air leakage by installation of Air Management System (AMS)
- Temperature cut-off is present and maintained for the water bath and tri-bath
- Upgradation of substation incoming transformer to reduce internal loss and transformers are well maintained with periodic check
- Installed Nitrogen injected fire protection system (NIFPS) for main distribution Transformer
- Replacing outdated distribution panel with upgraded version across the campus in a phase manner outdated main transformer control panel has been replaced with enhanced safety system
- Installing Energy efficient electrical appliances like AC's, Fan, Coolers, Chillers, AHU. etc., Replacement of old AC with Five-star rating AC. Switching off lights / fans / Motors/ compressors in interval time
- Initiated regular audit of compressed air leakages points, implementation, and monitoring – Inhouse
- Electrical Power system improvement which results in reduction in breakdown and less working of DG thus saving in HSD cost
- Continuously maintaining Plant power factor > 0.995 thus saving in electricity and reduction in losses
- Replaced old capacitor panel of Steel Rings with APFC panel
- Initiated Motion Sensors on Gangway, Worker Locker Room, Washroom lights, maintenance area, Production supervisor cabin, Cropping Machine cell
- Effective Shut Down program during No Part order /breaks/weekend
- PLC programing is done to enable sleep mode or power OFF on 15 Honing machines



## FEDERAL-MOGUL TPR (INDIA) LIMITED

- Manual shut OFF valves provided for compressed air line
- Replaced old relay logic electrical panels with PLC panels
- Kerosene elimination in process by using servo cut GR oil
- Installed VFD on Motors
- Replaced water cooling tower with refrigerant cooling

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

- The facility uses 95% of Wheeling Energy (Wind/ Hydro/ Solar) resulting into reduction of GHG gases
- The facility is upgraded for PNG gas from traditional LPG
- Optimum usage of natural roof lighting in the shopfloor
- Green building concept by installing day sky lights, glass window in offices for lights and good ventilation system for natural lights to reduce power usage

### **c) Capital investment on energy conservation equipment:**

Nil

### **d) Impact of the above measures**

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

## **B. TECHNOLOGY ABSORPTION**

### **i) The efforts made towards technology absorption:**

- a. Thermography audits conducted on find out electrical leakages in electrical systems
- b. Replacing of outdated switch gears with new technology switch gears
- c. Upgradation of outdated Contactors type electrical control machine panel to PLC logic type electrical control panel
- d. Installed Nitrogen injected fire protection system (NIFPS) for main distribution transformer.

The customers are demanding optimized weight, friction reduction & enhanced durability designs. Successfully applied the following global technology:

1. Eliminating Nitriding furnace with Nitrex furnace – German Technology
2. Pre-profiled wire – German Technology
3. PVD Coating – Japanese Technology
4. RMR and Axial brushing – German Technology
5. Elimination of Kerosene

### **ii) Benefits derived like product improvement, cost reduction, product development or import substitution**

- New orders for rings
- Cost cutting on consumables
- Quality improvement
- Scrap Reduction in few segments
- Production and Revenue increase
- Introduction of new products to the market
- Better performance in terms of emission outputs, fuel consumption and lube oil consumption.
- Development of new business
- Customer satisfaction

**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 – refer table below
- b) Year of import – refer table below,
- c) Whether the technology been fully absorbed - Yes
- d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - NA

**Import of Technology for the last 5 years**

<b>Technology</b>	<b>Imported from</b>	<b>Year of Import</b>	<b>Status</b>
Eliminating Nitriding furnace with Nitrex furnace – German Technology	Germany	2022	Implemented
Pre-profiled wire – German Technology	Germany	2022	Implemented
PVD Coating	Japan	2017	Implemented
RMR and Axial brushing	Germany	2022	Implemented
Elimination of Kerosene	India	2022	Implemented
Carboglide	Germany	2020 & 2022	Implemented
MSA	Japan	2022	Implemented
Orientation machine	India	2022	Implemented
Orientation conformation	Germany	2022	Implemented
Asymmetrical barrel top ring	Germany	2021	Implemented

**(iv) The expenditure incurred on Research and Development (R&D):** - Rs. 15,00,000/-

**C. FOREIGN EXCHANGE EARNINGS & OUTGO**

**1. Foreign exchange earned:** Rs. 4,86,626,-

**2. Foreign exchange utilized:** Rs. 25,01,01,034,-

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23****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:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vinod Kumar Hans	Chairman	01	01
2.	Mr. K.N. Subramaniam	Member	01	01
3.	Dr. Khalid Iqbal Khan	Member	01	01
4.	Mr. Takehiko Karasawa	Member	01	01

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.**

Not Applicable

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1.			
2.			
3.			
	TOTAL		

6. **Average net profit of the Company as per Section 135(5):** Rs 14,04,53,890/-

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 28,09,078/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 28,09,078/-

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
NIL	28,09,078/-	28-04-2023	NIL	NIL	NIL





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### (b). Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in Rs.)	Mode of Implementation-Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Promotion of education by providing infrastructure and amenities	Promotion of education	No	Karnataka	Mangalore	Six Months	28,09,078/-	Nil	28,09,078/-	No	Manav charities	CSR000 05312
	<b>TOTAL</b>						<b>28,09,078/-</b>		<b>28,09,078/-</b>			

### (c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of Implementation-Direct (Yes/ No)	Mode of Implementation -Through Implementing Agency	
				State	District			Name	CSR Registration number
1.									
2.									
3.									
	<b>Total</b>								

- (a) Amount spent in Administrative Overheads: NIL  
 (b) Amount spent on Impact Assessment, if applicable: NIL  
 (c) Total amount spent for the Financial Year (8b+8c+8d+8e): NIL  
 (d) Excess amount for set off, if any: NIL

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	28,09,078/-
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

**9.(a) Details of Unspent CSR amount for the preceding three financial years: NIL**

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.							
2.							
3.							
	<b>TOTAL</b>						

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project-Completed / Ongoing
1.								
2.								
3.								
	<b>TOTAL</b>							



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

### 11. Specify the reason(s), if the company has failed to spend- two per cent of the average net profit as per section 135(5):

The CSR amount allocated for the year FY2022-23 was decided to be spent on on-going projects accordingly, the entire amount of Rs. 28,09,078/- was carried forward to be spent on 'on -going projects' in the field of education over a period of time in line with the MOUs signed with the CSR partner.

### 12. Details of implementing Agencies are as under: -

**Manav Charities**, a vibrant charitable NGO started in 1999 and working towards economic, social and educational development and upliftment of people in Karnataka and other parts of the country. It is registered under Karnataka Societies Act 1960, having its office at #66, 14th Main, Kammagondanahalli, Jalahalli West, Bangalore – 560 015. 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. Manav Charities CSR Registration Number is CSR00005312.

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

#### **Vinod Kumar Hans**

Chairman - CSR Committee & Director  
DIN: 03328309

Date: 15<sup>th</sup> May, 2023  
Place: Gurugram



**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.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

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

### 4. PROHIBITED ACTIVITIES UNDER CSR

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

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

### 5. IMPLEMENTATION MECHANISM

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

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

### 6. PLANNING AND COORDINATION

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

### 7. MONITORING AND EVALUATION

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

### 8. ALLOCATION OF FUNDS

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

### 9. REPORTING

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

### 10. GENERAL

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

## Independent Auditor's Report

### To The Members of Federal-Mogul TPR (India) Limited

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of Federal-Mogul TPR (India) Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, and we have fulfilled our

other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

##### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we 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

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 loss, cash flows and changes in equity of the Company in accordance with the Ind AS and other

accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

##### Auditor's Responsibility for the Audit of the Financial Statements

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 SAs 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.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

As part of an audit in accordance with SAs, 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) 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 the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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.

### Other Matter

The comparative financial information of the Company as at and for the year ended 31 March 2022 prepared in accordance with Ind AS included in the financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated 16 May, 2022 expressed an unmodified opinion.

Our opinion on the financial statements is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief

were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India {refer Note 45 (i) to the financial statements}.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.





## FEDERAL-MOGUL TPR (INDIA) LIMITED

- i) 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 45 (o) to the financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 45 (k) to the financial statements.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 45 (m) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 45 (n) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
- As stated in Note 29 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 01 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No.  
117366W/W-100018)

**Pramod B. Shukla**  
Partner  
(Membership No. 104337)  
(UDIN: 23104337BGYZD3416)

Place: Gurugram  
Date: May 15, 2023



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report on the financial statements for the year ended 31 March 2023 to the Members of Federal-Mogul TPR (India) Limited of even date]

#### **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")**

We have audited the internal financial controls with reference to financial statements of Federal-Mogul TPR (India) Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 was established and maintained and if such controls operated effectively in all material respects.

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 included obtaining an understanding of internal financial controls with reference to financial statements, 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.

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**

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

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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



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## FEDERAL-MOGUL TPR (INDIA) LIMITED

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 control 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

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Pramod B. Shukla**

Partner  
(Membership No. 104337)  
(UDIN: 23104337BGYEZD3416)

Place: Gurugram  
Date: May 15, 2023



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

**[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report on the financial statements for the year ended 31 March 2023 to the Members of Federal-Mogul TPR (India) Limited of even date]**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (I) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.  
(B) As the Company does not hold any intangible assets, reporting under clause 3(i)(a)(B) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable.
- (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once in every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification. Since no physical verification of Property, Plant and Equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.
- (c) The Company does not have any immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from a bank on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the statements containing stocks and book debts, etc. filed by the Company with the bank are in agreement with the unaudited books of account of the Company, of the respective quarters. The Company has not been sanctioned any working capital facility from the financial institutions.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



(vii) In respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities. Sales tax, Service tax, duty of Excise and Value Added Tax are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2023 on account of disputes are given below:

Name of the statute	Nature of dues	Amount (Rs. in lacs)*	Amount paid under Protest (Rs. in lacs)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Finance Act, 1994	Service tax	147.54	-	2006-2009	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994	Service tax	466.76	17.50	2009-2014	
Finance Act, 1994	Service tax	86.60	7.58	2013-2015	
Finance Act, 1994	Service tax	95.54	8.35	2014-2015	
Finance Act, 1994	Service tax	57.04	3.89	2014-2016	
Finance Act, 1994	Service tax	42.98	4.30	2015-2017	Commissioner of Central Tax, Bangalore
Finance Act, 1994	Service tax	76.74	7.68	2016-2018	
The Income Tax Act, 1961	Tax deducted at source (TDS)	4.73	-	2007-08 to 2022-23	Deputy Commissioner (TDS)

\* amounts as per demand orders including interest and penalty wherever quantified in the order

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (43 of 1961) during the year.

- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) The Company has not raised any funds on short-term basis during the year and hence, reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
(b) We have considered the internal audit reports issued to the Company till date, for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
(d) There is no core investment company within the Group {as defined in the Core Investment Companies (Reserve Bank) Directions, 2016} and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Pramod B. Shukla**

Partner  
(Membership No. 104337)  
(UDIN: 23104337BGYEZD3416)

Place: Gurugram  
Date: May 15, 2023



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Balance Sheet as at 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,552.48	4,303.84
Capital work-in-progress	3(a) & (b)	883.87	1,398.55
Right-of-use assets	3	218.36	297.59
Current tax assets (net)	4	428.16	242.35
Other non-current assets	5	192.67	63.29
<b>Total non-current assets</b>		<b>6,275.54</b>	<b>6,305.62</b>
<b>Current assets</b>			
Inventories	6	1,228.11	1,252.64
Financial assets			
- Trade receivables	7	2,634.68	1,945.53
- Cash and cash equivalents	8	6,431.22	6,284.71
- Other financial assets	9	44.96	12.92
Other current assets	5	75.61	72.19
<b>Total current assets</b>		<b>10,414.58</b>	<b>9,567.99</b>
<b>TOTAL ASSETS</b>		<b>16,690.12</b>	<b>15,873.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	1,000.00	1,000.00
Other equity	11	13,612.40	12,909.56
<b>Total equity</b>		<b>14,612.40</b>	<b>13,909.56</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Lease liabilities	15	161.35	243.95
Provisions	12	253.94	219.26
Deferred tax liabilities (net)	13	170.49	204.05
<b>Total non-current liabilities</b>		<b>585.78</b>	<b>667.26</b>
<b>Current liabilities</b>			
Financial liabilities			
- Lease liabilities	15	82.60	76.34
- Trade payables			
- total outstanding dues of micro enterprises and small enterprises	14	80.74	40.43
- total outstanding dues of creditors other than micro enterprises and small enterprises	14	1,125.46	980.15
-Other financial liabilities	16	50.39	28.32
Other current liabilities	17	142.17	103.27
Provisions	12	10.58	7.62
Current tax liabilities (net)	18	-	60.66
<b>Total current liabilities</b>		<b>1,491.94</b>	<b>1,296.79</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,690.12</b>	<b>15,873.61</b>

The above Balance Sheet should be read in conjunction with the accompanying notes to the financial statements. (1-46)

As per our report of even date attached.

#### For Deloitte Haskins & Sells LLP

Chartered Accountants

#### Pramod B. Shukla

Partner

Place: Gurugram

Date: 15<sup>th</sup> May 2023

#### For and on behalf of Board of Directors

#### Federal-Mogul TPR (India) Limited

#### Vinod Kumar Hans

Director  
DIN-03328309

#### Dr. Khalid Iqbal Khan

Director  
DIN-05253556

#### Manish Chadha

Chief Finance Officer and Director  
DIN :07195652

#### Abhishek Nagar

Company Secretary  
Membership No.: F9029





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
<b>INCOME</b>			
Revenue from operations	19	<b>10,799.30</b>	10,236.01
Other income	20	<b>233.03</b>	218.45
<b>Total income</b>		<b>11,032.33</b>	<b>10,454.46</b>
<b>Expenses</b>			
Cost of materials consumed	21	<b>3,535.21</b>	3,217.39
Changes in inventories of finished goods and work-in-progress	22	<b>87.30</b>	55.25
Employee benefits expense	23	<b>931.63</b>	899.30
Finance costs	24	<b>27.57</b>	31.48
Depreciation expense	25	<b>717.74</b>	679.76
Other expenses	26	<b>4,210.80</b>	4,243.24
<b>Total expenses</b>		<b>9,510.25</b>	<b>9,126.42</b>
<b>Profit before tax</b>		<b>1,522.08</b>	<b>1,328.04</b>
<b>Tax expense</b>			
Current tax (including earlier years)	27	<b>226.57</b>	369.05
Deferred tax	13	<b>(33.25)</b>	(16.50)
<b>Total tax expense</b>		<b>193.32</b>	<b>352.55</b>
<b>Profit for the year</b>		<b>1,328.76</b>	<b>975.49</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>1.23</b>	(5.57)
B. Income tax relating to items that will not be reclassified to profit or loss		<b>(0.31)</b>	<b>1.40</b>
<b>Total other comprehensive loss/(income)(net of tax)</b>		<b>0.92</b>	<b>(4.17)</b>
<b>Total Comprehensive Income for the year</b>		<b>1,327.84</b>	<b>979.66</b>
Earnings per equity share of ₹ 10 each (absolute amount)	28		
Basic (₹) (absolute amount)		<b>13.29</b>	9.75
Diluted (₹) (absolute amount)		<b>13.29</b>	9.75

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes to the financial statements. 1-46

As per our report of even date attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pramod B. Shukla**  
Partner

Place: Gurugram  
Date: 15<sup>th</sup> May 2023

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

**Vinod Kumar Hans**  
Director  
DIN-03328309

**Dr. Khalid Iqbal Khan**  
Director  
DIN-05253556

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

**Abhishek Nagar**  
Company Secretary  
Membership No.: F9029



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Cash flow statement for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,522.08	1,328.04
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment and right-of-use assets	717.74	679.76
Interest expense	22.74	31.48
Interest income	(231.68)	(175.63)
Loss on write off of property, plant and equipments (net)	6.62	8.88
Unrealised foreign exchange (gain) (net)	(6.86)	(0.50)
Excess provision no longer required written back	(1.34)	(7.34)
Allowance for expected credit loss	1.86	0.09
<b>Operating cash flows before working capital changes</b>	<b>2,031.16</b>	<b>1,864.78</b>
<b>Movement in working capital:</b>		
Decrease in inventories	24.53	79.06
Decrease in other current and non-current assets	3.82	7.02
(Increase) in trade receivables	(691.02)	(1,007.91)
Increase/(Decrease) in current and non-current provisions	36.40	(14.39)
Increase/(Decrease) in other current financial liabilities	10.50	0.04
Increase/(Decrease) in other current liabilities	38.91	(12.05)
Increase/(Decrease) in trade payables	193.82	(318.90)
<b>Cash flow from operating activities post working capital changes</b>	<b>1,648.12</b>	<b>597.65</b>
Income tax paid (net)	(473.04)	(305.53)
<b>Net cash generated from operating activities (A)</b>	<b>1,175.08</b>	<b>292.12</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment towards acquisition of property, plant and equipment (including capital work-in-progress)	(504.13)	(1,818.80)
Interest received	199.64	162.71
<b>Net cash (used) in investing activities (B)</b>	<b>(304.49)</b>	<b>(1,656.09)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of principal component of lease liabilities	(76.34)	(99.08)
Interest paid	(22.74)	(2.88)
Payment of dividend	(625.00)	(580.00)
<b>Net cash (used) in financing activities (C)</b>	<b>(724.08)</b>	<b>(681.96)</b>
Increase/(Decrease) in cash and cash equivalents (A+B+C)	146.51	(2,045.93)
Cash and cash equivalents at the beginning of the year	6,284.71	8,330.64
<b>Cash and cash equivalents at the end of the year</b>	<b>6,431.22</b>	<b>6,284.71</b>
<b>Cash and cash equivalents as per above comprise of the following</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>(refer note 8)</b>		
With banks - on current account	831.22	384.71
Deposits with original maturity for less than three months	5,600.00	5,900.00
	<b>6,431.22</b>	<b>6,284.71</b>

The Statement of Cash Flows has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.  
The above Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements (1-46).

As per our report of even date attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pramod B. Shukla**  
Partner

Place: Gurugram  
Date: 15<sup>th</sup> May 2023

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

**Vinod Kumar Hans**  
Director  
DIN-03328309

**Dr. Khalid Iqbal Khan**  
Director  
DIN-05253556

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

**Abhishek Nagar**  
Company Secretary  
Membership No.: F9029



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Statement of changes in Equity as at 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### A) Equity share capital

	Balance as at 01 April 2021	Change in equity share capital during the year	Balance as at 31 March 2022	Change in equity share capital during the year	Balance as at 31 March 2023
Equity share capital	1,000.00	-	1,000.00	-	1,000.00

#### B) Other equity

	Reserves and surplus			
	General reserve	Capital Redemption Reserve	Retained Earnings	Total
<b>Balance as at 01 April 2021</b>	<b>1,295.00</b>	<b>1,000.00</b>	<b>10,214.90</b>	<b>12,509.90</b>
Profit for the year 2021-22	-	-	975.49	<b>975.49</b>
<b>Other Comprehensive income for the year ended</b>				
Remeasurement of defined benefit obligation gain (net of tax)	-	-	4.17	<b>4.17</b>
Dividend paid ₹ 5.80 (absolute amount) per share	-	-	(580.00)	<b>(580.00)</b>
<b>Balance as at 01 April 2022</b>	<b>1,295.00</b>	<b>1,000.00</b>	<b>10,614.56</b>	<b>12,909.56</b>
Profit for the year 2022-23	-	-	1,328.76	<b>1,328.76</b>
<b>Other Comprehensive income for the year ended</b>				
Remeasurement of defined benefit obligation gain (net of tax)	-	-	(0.92)	<b>(0.92)</b>
Dividend paid ₹ 6.25 (absolute amount) per share	-	-	(625.00)	<b>(625.00)</b>
<b>Balance as at 31 March 2023</b>	<b>1,295.00</b>	<b>1,000.00</b>	<b>11,317.40</b>	<b>13,612.40</b>

The above Statement of changes in Equity should be read in conjunction with the accompanying notes to the financial statements (1-46).

As per our report of even date attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pramod B. Shukla**  
Partner

Place: Gurugram  
Date: 15<sup>th</sup> May 2023

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

**Vinod Kumar Hans**  
Director  
DIN-03328309

**Dr. Khalid Iqbal Khan**  
Director  
DIN-05253556

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

**Abhishek Nagar**  
Company Secretary  
Membership No.: F9029



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

### 1. General information

Federal-Mogul TPR (India) Limited (the 'Company') is a public limited company incorporated and domiciled in India.

The registered office of the Company is DLF Prime Towers, 10 Ground Floor, F-79 & 80, Okhla Phase - I, New Delhi – 110020.

The Company has a technical collaboration with Teikoku Piston Ring Co. Ltd, Japan and Federal Mogul UK Investments Limited, a fellow subsidiary of the Company. The Company manufactures automotive components of four wheelers i.e. steel rings used in passenger vehicles automobiles.

At the year end, 51% of the shares of the Company are held by Federal-Mogul Goetze (India) Limited, 40% held by Teikoku Piston Ring Co. Ltd and 9% held by Federal Mogul UK Investments Limited, fellow subsidiary of the Company. The Company is a subsidiary of Federal-Mogul Goetze (India) Limited.

The financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors in their meeting held on 15 May 2023.

### 2.1 Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs ("MCA") under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised, have been considered in preparing these financial statements.

### 2.2 Recent accounting pronouncements

On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

#### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any material impact in its financial statements.

#### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any material impact in its financial statements.

### 2.3 Summary of Significant Accounting Policies

#### 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 (the "Act") read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Act.

#### Basis of preparation

The financial statements have been prepared in accordance with the Ind AS and 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. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

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

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

#### Operating cycle:

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

#### b) 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.

#### c) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All financial information presented in Indian Rupees has been rounded to the nearest lakh (upto two decimals), except as stated otherwise.

#### d) Property, plant and equipment

##### Recognition and initial measurement

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

##### Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight-line method ('SLM'), over the useful life prescribed in Schedule II to the Act or useful life determined based on technical evaluation and past trends, upto the estimated residual value of the depreciable assets, as follows:

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

\* Computers are classified under Plant and Machinery.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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) Capital work-in-progress**

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not available for intended use.

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

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

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

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

**g) Impairment of financial assets**

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

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

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

**Trade receivables**

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

**Other financial assets**

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

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

**h) Financial instruments****Initial recognition and measurement**

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



## FEDERAL-MOGUL TPR (INDIA) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

### **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.

## **I) Leases**

### **The Company as a lessee**

The Company's leased asset classes primarily consist of property leases. 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 a straight-line basis over the 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 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:**



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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.

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 Statement of Profit and Loss.

**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 amount of transaction price allocated to the performance obligation, 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 amount of transaction price allocated to the performance obligation, 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.

*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 30-90 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



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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 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) Employee benefits**

Employee benefits includes provident fund, gratuity, compensated absences and bonus/ex-gratia.

##### **i. Post-employment benefits**

###### **(a) Defined contribution plans:**

The Company offers its employees State governed provident fund linked with employee pension scheme as defined contribution plans. The contribution paid/ payable under the scheme is recognized during the period in which the employee renders the related service.

###### **(b) Defined benefit plans - Gratuity (unfunded):**

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments) and
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023****(c) Other long-term employee benefits**

The obligation for other long-term employee benefits such as long term compensated absences, are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date based on valuation done by an independent actuary.

**ii. Short term Employee Benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, and ex-gratia are recognized in the period the related service is rendered at undiscounted amount of benefits expected to be paid in exchange for that service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

**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.

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, if any, 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, if any, 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 (legal or constructive) 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.

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.

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



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

- 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 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.

**s) Segment reporting**

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

**t) Significant management judgement in applying accounting policies**

In the application of the Company's accounting policies, which are described above, the Management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

*Significant management judgement*

**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.

*Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

**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.

**Provisions and Contingencies** - 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.

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 litigations referred above. However, the actual future outcome may be different from this judgement.

**Useful lives of depreciable assets** – Management reviews its estimate of the useful lives of depreciable 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 these assets.

**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 Financial Statements for the year ended 31 March 2023**
*(All amounts in ₹ 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)
<b>Gross carrying amount</b>					
Opening gross carrying amount as on 1 April 2021	59.62	9,247.37	4.23	9,311.22	532.41
Additions	-	1,264.80	-	1,264.80	-
Disposals /adjustments	-	(177.64)	-	(177.64)	-
<b>Gross carrying amount as on 31 March 2022</b>	<b>59.62</b>	<b>10,334.53</b>	<b>4.23</b>	<b>10,398.38</b>	<b>532.41</b>
<b>Gross carrying amount</b>					
Opening gross carrying amount as on 1 April 2022	59.62	10,334.53	4.23	10,398.38	532.41
Additions	-	893.77	-	893.77	-
Disposals /adjustments	-	(132.87)	-	(132.87)	-
<b>Gross carrying amount as on 31 March 2023</b>	<b>59.62</b>	<b>11,095.43</b>	<b>4.23</b>	<b>11,159.28</b>	<b>532.41</b>
<b>Accumulated Depreciation</b>					
Opening accumulated depreciation as on 01 April 2021	25.27	5,635.54	1.96	5,662.77	155.59
Depreciation charge during the year	4.50	595.57	0.46	600.53	79.23
Disposals / Adjustments	-	(168.76)	-	(168.76)	-
<b>Closing accumulated depreciation as on 31 March 2022</b>	<b>29.77</b>	<b>6,062.35</b>	<b>2.42</b>	<b>6,094.54</b>	<b>234.82</b>
<b>Accumulated Depreciation</b>					
Opening accumulated depreciation as on 01 April 2022	29.77	6,062.35	2.42	6,094.54	234.82
Depreciation charge during the year	4.50	633.55	0.46	638.51	79.23
Disposals / Adjustments	-	(126.25)	-	(126.25)	-
<b>Closing accumulated depreciation as on 31 March 2023</b>	<b>34.27</b>	<b>6,569.65</b>	<b>2.88</b>	<b>6,606.80</b>	<b>314.05</b>
<b>Net carrying amount as on 31 March 2022</b>	<b>29.85</b>	<b>4,272.18</b>	<b>1.81</b>	<b>4,303.84</b>	<b>297.59</b>
<b>Net carrying amount as on 31 March 2023</b>	<b>25.35</b>	<b>4,525.78</b>	<b>1.35</b>	<b>4,552.48</b>	<b>218.36</b>

Refer note 43 for disclosure on capital commitments.

There is no property, plant and equipments which are pledged or under lien against borrowings.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### 3(a) For Capital-work-in progress, following is the ageing schedule:

As at 31 March 2023	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Project in Progress	309.95	560.04	13.88	-	883.87
Project temporarily suspended	-	-	-	-	-

As at 31 March 2022	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Project in Progress	989.21	13.88	-	395.46	1,398.55
Project temporarily suspended	-	-	-	-	-

#### 3(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following is the CWIP completion schedule :

As at 31 March 2023	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Nitrex Furnace	602.87	-	-	-	602.87
Nitrogen Box And Toolings	65.51	-	-	-	65.51

As at 31 March 2022	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Laser marking machine for PVD project	395.46	-	-	-	395.46



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### 4. Current tax assets

	As at 31 March 2023	As at 31 March 2022
Advance taxes paid (net of provision for tax)	<b>428.16</b>	242.35
	<b>428.16</b>	242.35

#### 5. Other assets

	As at 31 March 2023		As at 31 March 2022	
	Non current	Current	Non current	Current
Capital advances (Unsecured, considered good)	<b>136.62</b>	-	-	-
Advances other than capital advance	-	<b>34.97</b>	-	18.57
Prepaid expenses	<b>6.75</b>	<b>40.64</b>	12.55	34.26
Paid to government authorities under protest	<b>49.30</b>	-	50.74	-
Other receivables	-	-	-	19.36
	<b>192.67</b>	<b>75.61</b>	<b>63.29</b>	<b>72.19</b>

#### 6. Inventories (Valued at lower of cost or net realisable value)

	As at 31 March 2023	As at 31 March 2022
Raw material and components [includes goods in transit of ₹ 93.67 lacs (previous year ₹ Nil)]	<b>733.78</b>	667.46
Stores and spares [includes goods in transit of Nil (previous year ₹ 8.19 lacs)]	<b>107.04</b>	110.59
Work-in-progress	<b>222.37</b>	295.05
Finished goods	<b>164.92</b>	179.54
	<b>1,228.11</b>	<b>1,252.64</b>

Notes : 1. The cost of inventories recognised as an expense includes Nil (previous year ₹ 9.09 lacs) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ 14.71 lacs (previous year Nil) in respect of reversals of such write-downs. The same has been included in note 21.

2. The cost of inventories recognised as expense was ₹ 3,622.51 lacs (Previous year ₹ 3,272.64 lacs).

#### 7. Trade receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	<b>2,634.68</b>	1,945.53
Unsecured, significant increase in credit risk	<b>8.70</b>	8.67
	<b>2,643.38</b>	1,954.20
Less: Allowance for expected credit loss	<b>(8.70)</b>	(8.67)
	<b>2,634.68</b>	<b>1,945.53</b>

1. The credit period generally allowed on domestic sales as well as export sales varies from 30 to 90 days (excluding transit period).

2. Refer note 38(b) for allowance for expected credit loss.

3. Refer note 40 for balances due from related party.





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### Trade Receivables ageing schedule as at 31 March 2023

	Outstanding for following periods from due date of payment						
	Not Due	0-6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables - considered good	2,345.95	286.91	0.62	1.20	-	-	2,634.68
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	0.06	1.90	0.75	5.99	8.70
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,345.95</b>	<b>286.91</b>	<b>0.68</b>	<b>3.10</b>	<b>0.75</b>	<b>5.99</b>	<b>2,643.38</b>

#### Trade Receivables ageing schedule as at 31 March 2022

	Outstanding for following periods from due date of payment						
	Not Due	0-6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables - considered good	1,855.63	69.95	-	9.74	5.38	4.83	1,945.53
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	8.67	8.67
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,855.63</b>	<b>69.95</b>	<b>-</b>	<b>9.74</b>	<b>5.38</b>	<b>13.50</b>	<b>1,954.20</b>

**Notes to the Financial Statements for the year ended 31 March 2023**
*(All amounts in ₹ Lacs, unless otherwise stated)*
**8. Cash and bank balances**

	As at 31 March 2023	As at 31 March 2022
<b>Cash and cash equivalents</b>		
Balances with banks:		
- Current Accounts	831.22	384.71
- Deposits with original maturity for less than three months	5,600.00	5,900.00
	<b>6,431.22</b>	<b>6,284.71</b>

**9. Other financial assets**

	As at 31 March 2023	As at 31 March 2022
Interest accrued on bank deposits	44.96	12.92
	<b>44.96</b>	<b>12.92</b>

**10. Equity share capital**

	As at 31 March 2023	As at 31 March 2022
<b>Authorised shares</b>		
10,000,000 equity shares (previous year: 10,000,000 equity shares) of ₹ 10/- (absolute amount) each.	1,000.00	1,000.00
1,000,000 6% redeemable cumulative preference shares (previous year: 1,000,000) of ₹ 100 (absolute amount) each	1,000.00	1,000.00
	<b>2,000.00</b>	<b>2,000.00</b>

**(a) Issued, subscribed and fully paid-up shares**

10,000,000 equity shares (previous year: 10,000,000 equity shares) of ₹ 10 (absolute amount) each.	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>

**(b) Terms/Rights and restrictions attached to equity shares.**

- i) The Company has only one class of equity shares having par value of ₹ 10 (absolute amount) 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.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

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

Name of the shareholder	31 March 2023		31 March 2022	
	No.	% holding	No.	% holding
<b>Equity shares of ₹ 10 (absolute amount) fully paid</b>				
Federal-Mogul Goetze (India) Limited, India (Holding company)	5,100,000	51.00%	5,100,000	51.00%
Federal Mogul UK Investment Limited, UK (Fellow subsidiary)	900,000	9.00%	900,000	9.00%

#### (d) Details of shares held by promoters of the Company.

Name of the promoter*	31 March 2023			31 March 2022		
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
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%	-

\*Promoters here means promoter as defined under Companies Act, 2013.

#### (e) Details of shareholder holding more than 5% shares in the Company.

Name of the shareholder	31 March 2023		31 March 2022	
	No.	% holding	No.	% holding
<b>Equity shares of ₹ 10 (absolute amount) 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%

(f) 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.

#### 11. Other equity

	As at 31 March 2023	As at 31 March 2022
<b>General reserve</b>		
Balance at the beginning and end 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 and end 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	10,614.56	10,214.90
Add: Profit for the year	1,328.76	975.49

**Notes to the Financial Statements for the year ended 31 March 2023***(All amounts in ₹ Lacs, unless otherwise stated)***Items of other comprehensive income recognised directly in retained earnings:**

Add/(Less): Remeasurements of the post employment defined benefit plans gain (net of tax)	<b>(0.92)</b>	4.17
Less: Dividend paid	<b>(625.00)</b>	(580.00)
	<b>11,317.40</b>	<b>10,614.56</b>
	<b>13,612.40</b>	<b>12,909.56</b>

**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.

**Retained Earnings:** This represents accumulated profits after appropriation of reserves.

**12. Provisions**

	<b>As at 31 March 2023</b>		<b>As at 31 March 2022</b>	
	<b>Non current</b>	<b>Current</b>	<b>Non current</b>	<b>Current</b>
<b>Provision for employee benefits</b>				
Provision for gratuity (refer Note no 42)	<b>177.12</b>	<b>4.89</b>	152.24	3.69
Provision for compensated absences	<b>47.77</b>	<b>5.69</b>	37.07	3.93
Provision for regulatory matters (refer note (a) below)	<b>29.05</b>	-	29.95	-
	<b>253.94</b>	<b>10.58</b>	219.26	7.62

<b>Note (a)</b>	<b>31 March 2023 Amount</b>	<b>31 March 2022 Amount</b>
<b>Movement of provision for regulatory matters</b>		
Opening balance	<b>29.95</b>	63.11
Provision/adjustments made during the year	<b>0.73</b>	-
Utilised/reversed during the year	<b>(1.63)</b>	(33.16)
Closing balance	<b>29.05</b>	<b>29.95</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### 13. Deferred tax liabilities (net)

	As at 31 March 2021	Recognised in statement of profit & loss	Recognised in other comprehensive income	As at 31 March 2022	Recognised in statement of profit & loss	Recognised in other compre- hensive income	As at 31 March 2023
<b>Deferred tax liabilities</b>							
On account of difference in written down value of property, plant and equipment and right-of-use assets	290.34	(20.28)	-	270.06	(15.70)	-	<b>254.36</b>
<b>Total deferred tax liabilities (A)</b>	<b>290.34</b>	<b>(20.28)</b>	<b>0.00</b>	<b>270.06</b>	<b>(15.70)</b>	<b>0.00</b>	<b>254.36</b>
<b>Deferred tax assets</b>							
Provision for employees benefits	50.02	0.95	(1.40)	49.57	9.39	0.31	<b>59.27</b>
Provision for doubtful debts	2.24	(0.06)	-	2.18	0.01	-	<b>2.19</b>
Expenses allowed in tax on payment basis	18.93	(4.67)	-	14.26	8.15	-	<b>22.41</b>
<b>Total deferred tax assets (B)</b>	<b>71.19</b>	<b>(3.78)</b>	<b>(1.40)</b>	<b>66.01</b>	<b>17.55</b>	<b>0.31</b>	<b>83.87</b>
<b>Deferred tax liabilities (net) (A)-(B)</b>	<b>219.15</b>	<b>(16.50)</b>	<b>1.40</b>	<b>204.05</b>	<b>(33.25)</b>	<b>(0.31)</b>	<b>170.49</b>

#### 14. Trade payables

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 35)	<b>80.74</b>	40.43
Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>1,125.46</b>	980.15
	<b>1,206.20</b>	<b>1,020.58</b>

Refer note 40 for balances due to related parties.


**Notes to the Financial Statements for the year ended 31 March 2023**
*(All amounts in ₹ Lacs, unless otherwise stated)*
**Trade payables ageing schedule as at 31 March 2023**

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 Years	2-3 years	More than 3 Years	
(i) Undisputed outstanding dues to micro enterprises and small enterprises	-	64.92	15.82	-	-	-	80.74
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	228.11	742.88	154.19	-	0.28	-	1,125.46
(iii) Disputed outstanding dues to micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>228.11</b>	<b>807.80</b>	<b>170.01</b>	<b>-</b>	<b>0.28</b>	<b>-</b>	<b>1,206.20</b>

**Trade payables ageing schedule as at 31 March 2022**

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 Years	2-3 years	More than 3 Years	
(i) Undisputed outstanding dues to micro enterprises and small enterprises	-	1.82	38.61	-	-	-	40.43
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	201.84	630.51	145.39	2.40	0.01	-	980.15
(iii) Disputed outstanding dues to micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>201.84</b>	<b>632.33</b>	<b>184.00</b>	<b>2.40</b>	<b>0.01</b>	<b>-</b>	<b>1,020.58</b>

**15. Lease liabilities**

	As at 31 March 2023		As at 31 March 2022	
	Non current	Current	Non current	Current
Lease liabilities (refer note 32)	<b>161.35</b>	<b>82.60</b>	243.95	76.34
	<b>161.35</b>	<b>82.60</b>	<b>243.95</b>	<b>76.34</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### 16. Other current financial liabilities

	As at 31 March 2023	As at 31 March 2022
Payables to capital creditors	39.85	28.28
Others	10.54	0.04
	<b>50.39</b>	<b>28.32</b>

#### 17. Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Advance from customers	14.74	4.18
Payable for statutory dues	127.43	99.09
	<b>142.17</b>	<b>103.27</b>

#### 18. Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Current tax liabilities (net)	-	60.66
	<b>-</b>	<b>60.66</b>

#### 19. Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Sale of goods	10,779.82	10,224.52
<b>Other operating revenue</b>		
Scrap sales	19.48	11.49
<b>Revenue from operations</b>	<b>10,799.30</b>	<b>10,236.01</b>

Also refer note 41.



**Notes to the Financial Statements for the year ended 31 March 2023***(All amounts in ₹ Lacs, unless otherwise stated)***20. Other income**

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on		
Fixed deposits with banks	<b>231.68</b>	175.63
Foreign exchange fluctuation gain (net)	-	34.07
Excess provision no longer required written back	<b>1.34</b>	7.34
Miscellaneous income	<b>0.01</b>	1.41
	<b>233.03</b>	<b>218.45</b>

**21. Cost of materials consumed**

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock	<b>667.46</b>	476.87
Add: Purchases	<b>3,601.53</b>	3,407.98
Less: closing stock	<b>(733.78)</b>	(667.46)
<b>Cost of materials consumed</b>	<b>3,535.21</b>	<b>3,217.39</b>

**22. Changes in inventories of finished goods and work-in-progress**

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Opening stock</b>		
Work-in-progress	295.05	319.79
Finished goods	179.54	210.05
	<b>474.59</b>	<b>529.84</b>
<b>Less: closing stock</b>		
Work-in-progress	222.37	295.05
Finished goods	164.92	179.54
	<b>387.29</b>	<b>474.59</b>
	<b>87.30</b>	<b>55.25</b>

**23. Employee benefits expense**

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	<b>865.68</b>	837.51
Contribution to provident and other funds	<b>39.06</b>	34.57
Gratuity expense (refer note 42)	<b>25.81</b>	23.06
Staff welfare expenses	<b>1.08</b>	4.16
	<b>931.63</b>	<b>899.30</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### 24. Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liability (refer note 32)	22.74	28.56
Other borrowing costs	4.83	2.92
	<b>27.57</b>	<b>31.48</b>

#### 25. Depreciation expense (refer note 3)

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment	638.51	600.53
Depreciation of right-of-use assets	79.23	79.23
	<b>717.74</b>	<b>679.76</b>

#### 26. Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and spares	1,091.10	995.16
Sub-contracting expenses	101.65	61.29
Job work expenses	1,345.37	1,459.11
Power and fuel	170.02	206.98
Freight and forwarding charges	32.66	50.35
Rent (refer note 32)	12.64	3.77
Rates and taxes	6.92	10.98
Insurance	32.47	26.35
Repairs and maintenance		
Plant and machinery	17.80	20.26
Buildings	2.06	6.31
Others	14.48	10.54
Selling and distribution expense	51.07	27.14
Management support charges	581.73	636.42
Royalty and trade-mark license fees	146.02	132.94
Sole selling commission	473.67	450.76
Product rectification charges	3.32	1.17
Traveling and conveyance	2.46	3.43
Corporate social responsibility expense (refer note 34)	28.09	34.83
Printing and stationery	8.21	3.52
Legal and professional fees	32.05	63.41
Auditors remuneration (refer details below)*	10.80	7.83
Allowance for expected credit loss	1.86	0.09
Loss on write off of property, plant and equipments (net)	6.62	8.88
Foreign exchange fluctuation loss (net)	17.25	-
Bank charges	9.48	11.54
Miscellaneous expenses	11.00	10.18
	<b>4,210.80</b>	<b>4,243.24</b>

**Notes to the Financial Statements for the year ended 31 March 2023***(All amounts in ₹ Lacs, unless otherwise stated)***\*Auditors remuneration**

	Year Ended 31 March 2023	Year Ended 31 March 2022
-As auditors (for audit)	10.80	6.83
-Taxation matters (for tax audit)	-	1.00
	<b>10.80</b>	<b>7.83</b>

**27. Tax expense**

	Year Ended 31 March 2023	Year Ended 31 March 2022
Current tax	423.40	360.46
Tax related to earlier years	(196.83)	8.59
Deferred tax	(33.25)	(16.50)
	<b>193.32</b>	<b>352.55</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:

	Year Ended 31 March 2023	Year Ended 31 March 2022
<b>Accounting profit before income tax</b>	<b>1,522.08</b>	1,328.04
At country's statutory income tax rate of 25.17% (previous year: 25.17%)	<b>383.08</b>	334.24
Tax effect on permanent non deductible expenses	<b>7.07</b>	11.02
Others	-	(1.30)
<b>Total tax expense relating to the current year</b>	<b>390.15</b>	<b>343.96</b>
Effects of tax adjustment related to earlier years	(196.83)	8.59
<b>Total tax expense</b>	<b>193.32</b>	<b>352.55</b>

**28. Earnings per share (EPS)**

	Year Ended 31 March 2023	Year Ended 31 March 2022
Profit for the year as per Statement of Profit and Loss	<b>1,328.76</b>	975.49
Weighted average number of equity shares considered for calculating basic and diluted EPS	<b>10,000,000</b>	10,000,000
Nominal value of shares (₹) (absolute amount)	<b>10.00</b>	10.00
Earning per share - basic and diluted (₹) (absolute amount)	<b>13.29</b>	9.75



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### 29. Event occurring after the reporting period

Subsequent to the year ended 31 March 2023, the board of Directors of the Company has proposed dividend to equity shareholders of ₹ 8.65 per share (previous year ₹ 6.25 per share). The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuring General meeting and is in accordance with section 123 of the Companies Act, 2013, as applicable.

#### 30. Contingent Liabilities

	As at 31 March 2023	As at 31 March 2022
<b>(a) Claims against the Company not acknowledged as debt</b>		
Traces liability - Tax deducted at source	0.08	5.13
<b>(b) Service tax demand (excluding interest not qualified)</b>		
Cases pending before Appellate authorities mainly in respect of disallowance of certain input credit, against which Company has filed appeals	973.20	973.20

#### Footnote:

Future ultimate outflow of resources embodying economic benefits in respect of the matters which are uncertain as it depends on the final outcome of the matters involved.

#### 31 Segment information

In accordance with Ind AS 108 Operating segments, 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 ₹ 8,007.07 Lacs (previous year ₹ 8,088.88 Lacs). No other single customer represents 10% or more to the Company revenue for financial year ended March 31, 2023 and March 31, 2022.

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

	As at 31 March 2023	As at 31 March 2022
India	10,774.95	10,131.64
Other countries	4.87	92.88
	<b>10,779.82</b>	<b>10,224.52</b>

#### Geographical information in respect of Trade Receivables is given below:

	As at 31 March 2023	As at 31 March 2022
India	2,631.79	1,940.96
Other countries	2.89	4.57
	<b>2,634.68</b>	<b>1,945.53</b>

**Notes to the Financial Statements for the year ended 31 March 2023**
*(All amounts in ₹ Lacs, unless otherwise stated)*
**32. Leases**
**(i) Lease liabilities**
**The following is the break-up of current and non-current lease liabilities:**

	As at 31 March 2023	As at 31 March 2022
Non-current lease liabilities	161.35	243.95
Current lease liabilities	82.60	76.34
	<b>243.95</b>	<b>320.29</b>

**The following is the movement in lease liabilities:**

	As at 31 March 2023	As at 31 March 2022
<b>Opening balance</b>	<b>320.29</b>	390.81
Additions	-	-
Finance cost accrued during the year	22.74	28.56
Deletions	-	-
Payment of lease liabilities	(99.08)	(99.08)
<b>Closing balance</b>	<b>243.95</b>	<b>320.29</b>

**The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.**

	As at 31 March 2023	As at 31 March 2022
Less than one year	99.08	99.08
One to five years	173.39	272.47
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.

**The following are the amounts recognised in profit or loss:**

	As at 31 March 2023	As at 31 March 2022
Depreciation expense of right-of-use assets	79.23	79.23
Interest expense on lease liabilities	22.74	28.56
Expense relating to short-term leases (included in other expenses)	12.64	3.77
	<b>114.61</b>	<b>111.56</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### (ii) Lease related disclosures

- The Company has leases for Land and buliding. 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 building.
- Total cash outflow for leases for the year ended 31 March 2023 was ₹ 99.08 lacs. (Previous year ₹ 99.08 lacs)
- 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.
- 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 and building	1	33 months	33 months	1	-	1

- There are no leases which are yet to commence as on 31 March 2023.

**33.** 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.

#### **34. Corporate Social Responsibility (CSR)**

- Gross amount required to be spent by the Company during the year in compliance with section 135 of the Act is ₹ 28.09 lacs (previous year ₹ 34.77 lacs)

##### b) Amount spent during the year on:

	Year ended 31 March 2023	Year ended 31 March 2022
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	34.83
	-	<b>34.83</b>

- Above expenses does not include contribution to any related party of the Company.
- The Company does not carry any provisions for corporate social responsibility expenses for current year and previous year.
- The Company does not wish to carry forward any excess amount spent during the year.
- Details of excess amount spent:

**Notes to the Financial Statements for the year ended 31 March 2023***(All amounts in ₹ Lacs, unless otherwise stated)*

	Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing balance*	
<b>As at 31 March 2023</b>	-	<b>28.09</b>	-	<b>28.09</b>	-
As at 31 March 2022	-	34.77	34.83	-	-

g) Details of ongoing projects:

	Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing balance*	
	With Company	In Separate CSR Unspent A/c		From Company's bank account	From separate CSR Unspent A/c	With Company	In separate CSR Unspent A/c
<b>As at 31 March 2023</b>	-	-	<b>28.09</b>	-	-	-	<b>28.09</b>
As at 31 March 2022	-	-	34.77	34.83	-	-	-

\*refer point (e) of note no.34

# The Company subsequent to the year end transferred the unspent CSR amount of ₹ 28.09 lacs to a separate CSR unspent account.

	Year ended 31 March 2023	Year ended 31 March 2022
(i) The amount of shortfall at the end of the year out of amount required to be spent by the Company during the year,	28.09	-
(ii) total of previous years shortfall,	-	-
(iii) reason for shortfall,		-
	The CSR amount was decided to be spent on "on-going projects" in the field of education over a period of time in line with the MOUs signed with the CSR partner.	





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

- 35.** 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:

	As at 31 March 2023	As at 31 March 2022
The principal amount remaining unpaid as at the end of year	<b>80.74</b>	40.43
Interest due on above principal and remaining unpaid as at the end of the year	<b>0.04</b>	-
The amount of interest paid by the buyer in terms of section 16, of the Micro small and medium enterprise development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro small and medium enterprise development Act, 2006.	<b>0.57</b>	0.04
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	<b>0.61</b>	0.04
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	-	-

### 36. Assets pledged as security

The carrying amounts of assets pledged as security for facility\* are:

	As at 31 March 2023	As at 31 March 2022
<b>Current assets</b>		
Inventories, cash and cash equivalents and trade receivables	<b>10,294.01</b>	9,482.88
Total current assets pledged as security	<b>10,294.01</b>	9,482.88

\* there is no amount outstanding for above facilities.

### 37. 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.

**Notes to the Financial Statements for the year ended 31 March 2023**

(All amounts in ₹ 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.

**38. Financial risk management**
**i) Financial instruments by category**

	Classification	As at 31 March 2023	As at 31 March 2022
<b>Financial assets</b>			
Trade receivables	Amortised Cost	<b>2,634.68</b>	1,945.53
Cash and cash equivalents	Amortised Cost	<b>6,431.22</b>	6,284.71
Other financial assets	Amortised Cost	<b>44.96</b>	12.92
<b>Total</b>		<b>9,110.86</b>	<b>8,243.16</b>
<b>Financial liabilities</b>			
Trade payables	Amortised Cost	<b>1,206.20</b>	1020.58
Lease Liabilities	Amortised Cost	<b>243.95</b>	320.29
Other financial liabilities	Amortised Cost	<b>50.39</b>	28.32
<b>Total</b>		<b>1,500.54</b>	<b>1,369.19</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.

**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 risks 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



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### Assets under credit risk –

Credit risk		As at 31 March 2023	As at 31 March 2022
A: Low	Cash and cash equivalents	6,431.22	6,284.71
	Other financial assets	44.96	12.92
	Trade receivables (gross of expected credit loss)	2,634.68	1,945.53
B: High	Trade receivables	8.70	8.67

#### 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 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.

	As at 31 March 2023		As at 31 March 2022	
	>365 Days	<= 365 Days	>365 Days	<= 365 Days
Gross amount of trade receivables where no default (as defined above) has occurred	8.70	2,634.68	8.67	1,945.53
Expected loss rate	99.29%	0.00%	100%	0.00%
Expected credit loss( loss allowance provision)	8.64	0.06	8.67	-

#### Reconciliation of loss allowance – lifetime expected credit losses

	Trade receivable
<b>Loss allowance as on 1 April 2021</b>	8.90
Loss allowance created during the year	0.10
Impairment loss recognised during the year	(0.33)
<b>Loss allowance on 31 March 2022</b>	<b>8.67</b>
Loss allowance created during the year	1.86
Impairment loss recognised during the year	(1.83)
<b>Loss allowance on 31 March 2023</b>	<b>8.70</b>

**Notes to the Financial Statements for the year ended 31 March 2023**
*(All amounts in ₹ 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.

<b>31 March 2023</b>	<b>less than 1 year</b>	<b>1-3 year</b>	<b>3-5 year</b>	<b>More than 5 years</b>	<b>Total</b>
Trade payable	1,206.20	-	-	-	1,206.20
Lease liabilities	99.08	173.39	-	-	272.47
Other financial liabilities	50.39	-	-	-	50.39
<b>Total</b>	<b>1,355.67</b>	<b>173.39</b>	<b>-</b>	<b>-</b>	<b>1,529.06</b>

<b>31 March 2022</b>	<b>less than 1 year</b>	<b>1-3 year</b>	<b>3-5 year</b>	<b>More than 5 years</b>	<b>Total</b>
Trade payable	1,020.59	-	-	-	1,020.59
Lease liabilities	99.08	198.16	74.31	-	371.55
Other financial liabilities	28.32	-	-	-	28.32
<b>Total</b>	<b>1,147.99</b>	<b>198.16</b>	<b>74.31</b>	<b>-</b>	<b>1,420.46</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, Japanese Yen and Chinese Yuan. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency 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.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### (i) Foreign currency risk exposure:

The Company exposure to foreign currency risk at the end of the reporting period that have not been hedged by a derivative instrument or otherwise are as follows :

	FC	As at 31 March 2023 [amount in foreign currency (in lacs)]	As at 31 March 2023 (₹ in lacs)	As at 31 March 2022 [amount in foreign currency (in lacs)]	As at 31 March 2022 (₹ in lacs)
<b>Financial liabilities-</b>					
<b>Trade payables</b>					
	USD	<b>1.50</b>	<b>123.35</b>	0.11	8.01
	EUR	-	-	0.21	18.00
	JPY	<b>424.43</b>	<b>262.52</b>	411.93	256.53
	CNY	<b>3.86</b>	<b>46.20</b>	2.68	32.00
<b>Net exposure to foreign currency risk (liabilities)</b>		<b>-</b>	<b>432.07</b>	<b>-</b>	<b>314.54</b>

#### Sensitivity

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

	As at 31 March 2023	As at 31 March 2022
<b>USD sensitivity</b>		
INR/USD- increase by 500 bp (previous year: 500 bp)*	<b>(6.17)</b>	(0.40)
INR/USD- decrease by 500 bp (previous year: 500 bp)*	<b>6.17</b>	0.40
<b>EURO sensitivity</b>		
INR/EUR- increase by 500 bp (previous year: 500 bp)*	-	(0.90)
INR/EUR- decrease by 500 bp (previous year: 500 bp)*	-	0.90
<b>JPY sensitivity</b>		
INR/JPY- increase by 500 bp (previous year: 500 bp)*	<b>(13.13)</b>	(12.83)
INR/JPY- decrease by 500 bp (previous year: 500 bp)*	<b>13.13</b>	12.83
<b>CNY sensitivity</b>		
INR/CNY- increase by 500 bp (previous year: 500 bp)*	<b>(2.31)</b>	(1.60)
INR/CNY- decrease by 500 bp (previous year: 500 bp)*	<b>2.31</b>	1.60

\* Holding all other variables constant

**Notes to the Financial Statements for the year ended 31 March 2023***(All amounts in ₹ 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.

**39. 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.

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Total debt	-	-
Total equity	<b>14,612.40</b>	13,909.56
<b>Debt Equity ratio</b>	-	-

**40. Related party disclosures****i Name of the Party**

Pegasus Holdings One, LLC  
Tennoco Inc. (USA)

**Nature of relationship**

Ultimate Holding Company (with effect from 17 November 2022)  
Ultimate Holding Company (upto 16 November 2022 and  
Intermediate holding company with effect from 17 November 2022)

Federal-Mogul Goetze (India) Limited  
Federal Mogul UK Investments Limited

Holding company  
Fellow subsidiary

Below are the list of other related parties with whom there have been transactions with the Company:

TPR Co., Limited Japan  
Anqing TP Goetze Piston Ring Co. Limited

Entity having significant influence over the Company  
Related entity of intermediate holding Company

PT TPR Indonesia  
TPR(Tianjin),Ltd

Related entity of entity having significant influence over the Company  
Related entity of entity having significant influence over the Company

TPR Autoparts Mfg. India Private Limited  
Federal Mogul TP Europe GMBH & Co KG,  
Burscheid

Related entity of entity having significant influence over the Company  
Fellow Subsidiary

Motocare India Private Limited  
Federal Mogul Burscheid GMBH, Germany

Fellow Subsidiary  
Fellow Subsidiary

Mr. Krishnamurthy Naga Subramaniam  
Mr. Toshiaki Imai  
Mr. Abhishek Nagar

Director  
Director  
Company Secretary



**Notes to the Financial Statements for the year ended 31 March 2023**  
(All amounts in ₹ Lacs, unless otherwise stated)

	Holding Company		Fellow Subsidiary Total							
	Federal Mogul Goetze (India) Ltd.		Federal Mogul UK Investment Limited		Motocare India Private Limited		Federal Mogul Burscheid GMBH, Germany		Federal Mogul TP Europe GMBH & Co. KG, Burscheid	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Sales#	5,604.99	5,487.88	-	-	-	5.35	-	-	-	-
Purchase of raw material, intermediaries and finished goods#	1,289.30	1,200.95	-	-	-	-	(0.74)	-	-	11.71
Purchase of property, plant and equipment #	-	597.70	-	-	-	-	-	29.76	-	-
Dividend Paid	318.75	295.80	56.25	52.20	-	-	-	-	-	-
Management support charges	581.73	636.42	-	-	-	-	-	-	-	-
Job work expenses	1,345.37	1,459.11	-	-	-	-	-	-	-	-
Sole selling commission paid	473.67	450.76	-	-	-	-	-	-	-	-
Expenses incurred on Company's behalf	-	-	-	-	20.19	20.20	-	-	-	-
Rent paid	99.08	99.08	-	-	-	-	-	-	-	-
Royalty Expense	-	-	-	-	-	-	-	-	-	-
Commission-paid	-	-	-	-	-	-	-	-	-	-
Balance outstanding as at the end of the year Receivable	2,090.28	1,220.36	-	-	0.15	1.20	-	-	-	0.87
Balance outstanding as at the end of the year (Payable)	(47.66)	(42.22)	-	-	(5.77)	(4.87)	(22.65)	(0.28)	-	-



**Notes to the Financial Statements for the year ended 31 March 2023**  
(All amounts in ₹ Lacs, unless otherwise stated)

	40. (ii) Related Party Transactions											
	Entity having significant influence over the Company and its related entities											
	TPR Co., Limited Japan		PT TPR Indonesia		TPR (Tianjin), Limited		TPR Autoparts Mfg. India Private Limited		Associate company of intermediate holding company		Total	
Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	
Sales#	-	-	(1.56)	90.76	-	-	-	-	-	-	5,603.43	5,583.99
Purchase of raw material, intermediaries and finished goods#	72.48	4.33	281.04	68.49	-	5.71	-	-	-	-	1,642.82	1,290.45
Purchase of property, plant and equipment #	18.53	84.20	-	-	-	-	-	-	-	-	18.53	711.66
Dividend Paid	250.00	232.00	-	-	-	-	-	-	-	-	625.00	580.00
Management support charges	-	-	-	-	-	-	-	-	-	-	581.73	636.42
Job work expenses	-	-	-	-	-	-	-	-	-	-	1,345.37	1,459.11
Sole selling commission paid	-	-	-	-	-	-	-	-	-	-	473.67	450.76
Expenses incurred on Company's behalf	-	-	-	-	-	-	-	-	-	-	20.19	20.20
Rent paid	-	-	-	-	-	-	-	-	-	-	99.08	99.08
Royalty Expense	146.02	132.94	-	-	-	-	-	-	-	-	146.02	132.94
Commission-paid	-	-	-	-	-	-	-	29.98	18.78	-	29.98	18.78
Balance outstanding as at the end of the year Receivable	0.33	0.33	-	1.68	-	-	-	-	-	12.15	2,102.91	1,236.59
Balance outstanding as at the end of the year (Payable)	(72.32)	(30.68)	(142.33)	(2.42)	-	-	-	(8.22)	(5.06)	-	(276.58)	(107.91)

Name	Key Managerial personnel-Remuneration*				Non-executive director - Director sitting fees	
	Mr. Abhishek Nagar		Mr. Toshiaki Imai		Mr. Krishnamurthy Naga Subramaniam	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Remuneration/ Director's sitting fees	35.03	33.47	47.14	48.49	4.50	3.75

\*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.  
# All sales and purchase above are exclusive of GST (wherever applicable). Sales are net of the sales return.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ 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."

##### 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:

	Year Ended 31 March 2023	Year Ended 31 March 2022
<b>Revenue from contracts with customers</b>		
Sale of products - Domestic	10,774.95	10,131.64
Export	4.87	92.88
Other operating income	19.48	11.49
<b>Total revenue covered under Ind AS 115</b>	<b>10,799.30</b>	<b>10,236.01</b>

##### c Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

	As at 31 March 2023	As at 31 March 2022
<b>Contract liabilities</b>		
Advances from consumers	14.74	4.18
<b>Total contract liabilities</b>	<b>14.74</b>	<b>4.18</b>
<b>Receivables</b>		
Trade receivables	2,643.38	1,954.20
Less : Allowances for expected credit loss	(8.70)	(8.67)
<b>Net receivables</b>	<b>2,634.68</b>	<b>1,945.53</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 Financial Statements for the year ended 31 March 2023***(All amounts in ₹ Lacs, unless otherwise stated)***d Reconciliation of revenue recognised with contract price**

	Year Ended 31 March 2023	Year Ended 31 March 2022
<b>Revenue from contracts with customers</b>		
Sale of products (Gross)	<b>10,871.63</b>	10,309.69
Less: Discounts	<b>(91.81)</b>	(85.16)
<b>Total revenue covered under Ind AS 115</b>	<b>10,779.82</b>	<b>10,224.52</b>

**e Significant changes in the contract assets and the contract liabilities balances during the year are as follows:**

	As at 31 March 2023	As at 31 March 2022
	<b>Contract Liabilities</b>	<b>Contract Liabilities</b>
	<b>Advances from customers</b>	<b>Advances from customers</b>
<b>Opening balance</b>	<b>4.18</b>	16.90
Addition during the year	<b>295.78</b>	198.61
Revenue recognised during the year/ amount refunded/adjusted during the year	<b>(285.22)</b>	(211.33)
<b>Closing balance</b>	<b>14.74</b>	<b>4.18</b>

**f 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.

**g Payment terms**

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 30-90 days (excluding transit period).

**h 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 the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### 42. Employee benefit obligations

##### (a) Defined contribution plan

The Company's contribution to provident fund amounting to ₹ 35.67 lacs (March 31, 2022: ₹ 34.57 lacs) has been recognized in the Statement of Profit and loss under the head employee benefits expenses.

##### (b) Defined benefits plans (unfunded)

The Company provides for gratuity for employees in India as per Payment of gratuity Act, 1972. Employees who are in continuous service of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month completed proportionately for 15 days salary multiplied for number of completed years of service.

The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are changed to Statement of Profit and Loss.

The plan typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### Disclosure of gratuity

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

Description	Year Ended 31 March 2023	Year Ended 31 March 2022
Current service cost	14.41	13.15
Interest cost	11.40	9.91
<b>Amount recognised in the statement of profit and loss</b>	<b>25.81</b>	<b>23.06</b>

##### (ii) Breakup of actuarial (gain)/loss:

Description	Year Ended 31 March 2023	Year Ended 31 March 2022
Actuarial (gain) on arising from change in demographic assumption	(0.85)	-
Actuarial (gain) on arising from change in financial assumption	(1.75)	3.96
Actuarial loss/(gain) on arising from experience adjustment	3.83	(9.53)
<b>Total actuarial loss/(gain) recognized in Other Comprehensive Income</b>	<b>1.23</b>	<b>(5.57)</b>

**Notes to the Financial Statements for the year ended 31 March 2023***(All amounts in ₹ Lacs, unless otherwise stated)***(iii) Movement in the liability recognised in the balance sheet is as under:**

Description	As at 31 March 2023	As at 31 March 2022
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>155.93</b>	<b>139.22</b>
Current service cost	14.41	13.15
Interest cost	11.40	9.91
Benefits paid	(0.96)	(0.78)
Actuarial loss/(gain) recognised during the year	1.23	(5.57)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>182.01</b>	<b>155.93</b>

**(iv) Actuarial assumptions**

Description	As at 31 March 2023	As at 31 March 2022
Discount rate	7.50% p.a.	7.40% p.a.
Normal retirement age	For workmen 60 years and for others 58 years	For workmen 60 years and for others 58 years
Employee turnover	1% p.a for workers and 6% p.a for others	1% p.a for workers and 4.3% p.a for others
Salary Increase Rate	'For Worker: 3% for first 2 years and 7% thereafter, Others: 9% p.a.	For Worker: 3% for first 2 years 'and 7% thereafter, Others: and 9% p.a.
Mortality rate	Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult.	Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult.

**(v) Risk exposure****i) Changes in discount rate**

A decrease in discount yield will increase plan liabilities.

**ii) Mortality table**

The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in plan liabilities.

**iii) Salary increase**

Actual salary increase will increase the plan's liabilities. Increase in salary rate assumption in future valuation will also increase the valuation.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### (vi) Sensitivity analysis for gratuity liability

	As at 31 March 2023	As at 31 March 2022
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	<b>182.01</b>	155.93
- Impact due to increase of 0.50 %	<b>190.98</b>	147.98
- Impact due to decrease of 0.50 %	<b>173.60</b>	164.46
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	<b>182.01</b>	155.93
- Impact due to increase of 0.50 %	<b>174.51</b>	163.19
- Impact due to decrease of 0.50 %	<b>189.78</b>	148.82

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.

#### The following payouts are expected in future years:

Description	As at 31 March 2023
March 31, 2024	4.89
March 31, 2025	5.15
March 31, 2026	5.50
March 31, 2027	5.97
March 31, 2028	10.53
March 31, 2029 to March 31, 2033	107.24

#### (c) Other employee benefit plans

Short term compensated absences are provided for based on estimates. Long term compensation liability for compensated absences 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.

#### 43. Capital commitments

	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment (net of advances paid)	<b>47.76</b>	15.98
	<b>47.76</b>	15.98

**Notes to the Financial Statements for the year ended 31 March 2023**
*(All amounts in ₹ Lacs, unless otherwise stated)*
**44. Ratios as per Schedule III requirements:**

Ratio	Numerator	Denominator	Unit	31Mar 2023	31Mar 2022	% variance	Reason for variance
(a) Current ratio	Current Assets	Current Liabilities	Times	6.98	7.38	-5.39%	-
(b) Debt-equity ratio	Total debt	Shareholder's equity	Times	-	-	-	-
(c) Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	Times	20.89	16.53	26.39%	Debt service coverage ratio is increased mainly due to increase in net profit of the Company.
(d) Return on equity ratio	Profit for the year less Preference dividend (if any)	Average total equity	%	9.32%	7.12%	30.95%	Return on equity ratio is mainly due to increase in net profit of the Company
(e) Inventory turnover ratio	Revenue from operations	Average inventories	Times	8.71	7.92	9.91%	-
(f) Trade receivables turnover ratio	Net credit sales	Average trade receivables	Times	4.72	7.10	-33.59%	Trade receivable turnover ratio improved due to higher revenue and improvement in average trade receivables.
(g) Trade payables turnover ratio	Net credit purchases	Average trade payables	Times	3.23	2.88	12.38%	-
(h) Net capital turnover ratio	Net sales	Working capital	Times	1.21	1.24	-2.20%	-
(i) Net profit ratio	Net Profit	Net Sales	%	12.30%	9.53%	29.11%	Net profit ratio is increased mainly due to increase in net profit of the Company.
(j) Return on capital employed	Earning before interest and taxes	Capital employed = Tangible net worth + Total debt + Deferred tax liability	%	10.48%	9.63%	8.82%	-
(k) Return on investment	Income generated from invested funds	Average invested funds in treasury investments	%	4.03%	2.56%	57.39%	Return on investment is increased due to increase in interest on fixed deposits with bank.





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

#### 45. Additional Disclosures

- a) The Company does not have any title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held in its name.
- b) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- c) The Company has not revalued its Property, plant and equipment (including Right-of-use assets) during the year.
- d) The Company has been sanctioned working capital amounts from banks on the basis of security of Inventories, Cash and Cash Equivalents and Trade Receivables. The returns being filed by the Company with banks are in line with the books of account.
- e) The Company has not been declared willful defaulter by any bank or financial institution or other lender during the year.
- f) The Company has not made transactions with the Companies which were struck off under section 248 of the Companies Act, 2013.
- g) As per records maintained by the Company, there are no charges which are pending to be registered with ROC. Further, in respect of credit facilities availed and settled in earlier years to the extent of Rs. 5,401 lacs, satisfaction of charges are yet to be registered with ROC beyond the statutory period. The Company is taking necessary steps for rectifying of ROC records in respect of the same.
- h) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- i) As per the MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up on daily basis of such books of account and other relevant books and papers maintained in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create backup of accounts on servers physically located in India on a daily basis. The books of account along with other relevant records and papers of the Company are maintained in electronic mode. These are readily accessible in India at all times however backup is not maintained in India.
- j) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- k) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- l) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- m) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Notes to the Financial Statements for the year ended 31 March 2023**

(All amounts in ₹ Lacs, unless otherwise stated)

- n) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- o) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

**46.** Financial statements of the Company for the year ended 31 March 2022, were audited by Walker Chandio & Co LLP, Chartered Accountants, the predecessor auditor.

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

Director  
DIN-03328309

**Manish Chadha**

Chief Finance Officer and Director  
DIN :07195652

**Dr. Khalid Iqbal Khan**

Director  
DIN-05253556

**Abhishek Nagar**

Company Secretary  
Membership No.: F9029

Place: Gurugram

Date: 15<sup>th</sup> May 2023

## Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of Federal-Mogul Goetze (India) Limited ("the Holding Company") and its subsidiary, (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, and their consolidated profit, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Provisions and contingencies relating to tax, legal and other regulatory matters</b></p> <p>The Group is involved in certain claims/matters relating to direct taxes, indirect taxes and labour laws and environmental, health and safety ('regulatory and tax matters') that are pending with various authorities and courts in India.</p> <p>The Group has recognised provisions amounting to Rs. 1,151.84 lacs and disclosed contingent liabilities amounting Rs. 5,874.73 lacs related to these regulatory and tax matters as at 31 March 2023.</p> <p>Whether a claim against the Company is recognised as a provision or disclosed as a contingent liability in the consolidated financial statements is inherently judgmental and dependent on certain assumptions and management assessment. These include assumptions relating to the likelihood and/or timing of the cash outflows and the interpretation of local laws and pending disposal of matters at various forums.</p> <p>The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around these various regulatory and tax matters the determination of the need for recording a provision or disclosure as contingent liability in the consolidated financial statements is inherently</p>	<p><b>Principal audit procedures performed:</b></p> <p>Our audit procedures in relation to the provisions and contingent liabilities relating to regulatory and tax matters, included, but were not limited to, the following:</p> <ol style="list-style-type: none"> <li>Obtained an understanding of the management process for:- <ul style="list-style-type: none"> <li>identification of regulatory and tax matters initiated against the Group and completeness thereof;</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 Measurement of amounts involved.</li> </ul> </li> <li>Evaluating the design and testing the operating effectiveness of key controls around above process.</li> <li>Test of details including, but were not limited to, the following: <ul style="list-style-type: none"> <li>Obtained an understanding of the nature of regulatory and tax matters pending against the Group and discussed the key developments during the year with the management.</li> <li>Carried out procedures to test the completeness and accuracy of these matters by reconciling the same with details as per independent confirmations obtained, review of legal and professional expenses, verifying the underlying documents including correspondence during the period and by reconciling</li> </ul> </li> </ol>

subjective/judgmental and therefore is considered to be a key audit matter in the current year.

Refer note 2.3 (s) "Provision, Contingent liabilities and contingent assets" for accounting policies, note 2.3(v) 'Provisions and Contingencies' under the head "Key sources of estimation uncertainty", note 14 "Provisions" for disclosure in respect of provisions relating to legal, tax and other regulatory matters, and Note 38 in respect of details of Contingent liabilities in the Consolidated Financial Statements.

the amount of provisions/contingent liabilities with amounts disclosed in the consolidated financial statements.

- Assessed the Group's assumptions and estimates in respect of regulatory and tax matters, including the liabilities or provisions recognised or contingent liabilities disclosed in the consolidated financial statements. This involves assessing the probability of an unfavourable outcome of a given proceeding and the reliability of estimates of related amounts;
- For cases represented by consultants or legal counsels, reviewed response obtained as above or through legal advice obtained by the management 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 consolidated financial statements;
- Involved relevant tax specialists, where necessary, 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 appropriateness of disclosures made relating to provisions and contingent liabilities.

## Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including Annexures to the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that

we 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 Consolidated Financial Statements

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 cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors 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 the assets of the Group

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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their

respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on

whether the Holding Company has adequate internal financial controls with reference to consolidated 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 the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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.

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.

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

## **Other Matter**

The comparative financial information of the Group as at and for the year ended 31 March 2022 prepared in accordance with Ind AS included in the consolidated financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated 20 May 2022 expressed an unmodified opinion.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

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

1. As required by Section 143(3) of the Act, based on our audit, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India (refer Note 51(g) to the consolidated financial statements).

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS as specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in the paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in

“Annexure A” which is based on the auditors’ reports of the Holding Company and its subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and subsidiary company to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

l) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 14 and 38 to the consolidated financial statements.

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts - Refer to Note 51(l) to the consolidated financial statements.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company - Refer to Note 51(h) to the consolidated financial statements.

iv) (a) The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that to the best of their knowledge and belief, as disclosed in the

note 51(i) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary, or in any other person(s) or entity(ies), including foreign entities “Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 51(k) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary, from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

© Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



v) The final dividend proposed in the previous year, declared and paid by the subsidiary company whose financial statements have been audited under the Act during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 32 to the consolidated financial statements, the Board of Directors of the subsidiary, have proposed final dividend for the year which is subject to the approval of the members of the subsidiary, at the ensuing respective Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

Further, the Holding Company has not declared or paid any dividend including interim dividend during the year.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining

books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 01, 2023 to the Holding Company and its subsidiary, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in clause 3(xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements to

which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No.  
117366W/W-100018)

**Pramod B. Shukla**

(Partner)  
(Membership No. 104337)  
(UDIN: 23104337BGYEZH6893)

Place: Gurugram  
Date: May 22, 2023



**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report on the consolidated financial statements for the year ended 31 March 2023 to the Members of Federal Mogul Goetze (India) Limited of even date)**

**Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to consolidated financial statements of Federal Mogul Goetze (India) Limited (hereinafter referred to as “the parent”) and its subsidiary company,(the parent and its subsidiary together referred to as “the Group”), as of that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the parent and its subsidiary company, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on “the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 its business, including adherence to the respective 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 Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion

on the internal financial controls with reference to consolidated financial statements of the parent and its subsidiary company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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.

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 consolidated financial statements of the parent and its subsidiary company.

**Meaning of Internal Financial Controls with reference to consolidated financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are

subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion to the best of our information and according to the explanations given to us, the parent and its subsidiary company have, in all material respects, an adequate internal financial controls with reference to

consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2023, based on "the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

## For Deloitte Haskins & Sells LLP

Chartered Accountants  
(Firm's Registration No.  
117366W/W-100018)

## Pramod B. Shukla

(Partner)  
(Membership No. 104337)  
(UDIN: 23104337BGYEZH6893)

Place: Gurugram  
Date: May 22, 2023

## Consolidated Balance Sheet as at 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	49,716.97	51,593.72
Capital work-in-progress	3(c) & (d)	8,531.86	4,847.42
Right-of-use assets	3(a)	1,041.51	1,158.19
Intangible assets	3(b)	7.85	75.88
Financial assets			
- Investments	4	156.53	155.54
- Other financial assets	5	1,878.03	1,831.94
Deferred tax assets (net)	15	1.18	-
Current tax assets (net)	6	1,767.12	1,584.08
Other non-current assets	7	2,146.78	2,394.93
<b>Total non-current assets</b>		<b>65,247.83</b>	<b>63,641.70</b>
<b>Current assets</b>			
Inventories	8	19,572.75	18,570.51
Financial assets			
- Trade receivables	9	27,235.84	26,616.94
- Cash and cash equivalents	10	33,004.23	18,599.19
- Loans	11	-	3,300.00
- Other financial assets	5	1,184.35	940.90
Other current assets	7	2,481.10	2,374.46
<b>Total current assets</b>		<b>83,478.27</b>	<b>70,402.00</b>
<b>TOTAL ASSETS</b>		<b>148,726.10</b>	<b>134,043.70</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	5,563.21	5,563.21
Other equity	13	92,399.66	82,019.76
<b>Equity attributable to owners of the Company</b>		<b>97,962.87</b>	<b>87,582.97</b>
Non controlling interest	50	7,160.06	6,815.68
<b>Total equity</b>		<b>105,122.93</b>	<b>94,398.65</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Lease liabilities	17	761.14	830.50
Provisions	14	3,238.28	3,385.34
Deferred tax liabilities (net)	15	170.49	298.38
<b>Total non-current liabilities</b>		<b>4,169.91</b>	<b>4,514.22</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	17	69.35	62.47
- Trade payables			
- total outstanding dues of micro enterprises and small enterprises	16	2,198.21	1,654.70
- total outstanding dues of creditors other than micro enterprises and small enterprises	16	32,023.31	28,858.72
- Other financial liabilities	18	1,020.10	809.21
Other current liabilities	19	2,740.19	1,964.54
Provisions	14	1,382.10	1,720.53
Current tax liabilities (net)	20	-	60.66
<b>Total current liabilities</b>		<b>39,433.26</b>	<b>35,130.83</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>148,726.10</b>	<b>134,043.70</b>

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes to the consolidated financial statements. (1-52)

As per our report of even date attached.  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pramod B. Shukla**  
Partner

Place: Gurugram  
Date: 22 May 2023

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

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

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

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

## Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
<b>INCOME</b>			
I Revenue from operations	21	<b>163,413.87</b>	134,261.97
II Other income	22	<b>1,930.32</b>	892.16
III <b>Total Income (I+II)</b>		<b>165,344.19</b>	<b>135,154.13</b>
<b>IV Expenses</b>			
Cost of materials consumed	23	<b>63,114.86</b>	45,947.31
Purchases of stock-in-trade	24	<b>2,075.73</b>	1,700.25
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	<b>(184.75)</b>	823.47
Employee benefits expenses	26	<b>34,442.24</b>	32,524.66
Finance costs	27	<b>387.14</b>	427.51
Depreciation and amortisation expense	28	<b>8,367.18</b>	8,706.29
Other expenses	29	<b>43,037.22</b>	36,968.22
<b>Total expenses</b>		<b>151,239.62</b>	<b>127,097.71</b>
V <b>Profit before tax (III-IV)</b>		<b>14,104.57</b>	<b>8,056.42</b>
<b>VI Tax expense</b>			
Current tax (including related to earlier years)	30	<b>3,452.60</b>	1,452.59
Deferred tax (credit)/expense	15 & 30	<b>(86.29)</b>	721.76
<b>Total tax expense</b>		<b>3,366.31</b>	<b>2,174.35</b>
VII <b>Profit for the year (V-VI)</b>		<b>10,738.26</b>	<b>5,882.07</b>
<b>VIII Other comprehensive loss/(income)</b>			
(i) Items that will not be reclassified to profit or loss			
A. Remeasurements of the post employment defined benefit plans loss/(gain)		<b>170.05</b>	(145.75)
B. Income tax relating to items that will not be reclassified to profit or loss		<b>(42.80)</b>	36.68
<b>Total other comprehensive loss/(income) (net of tax)</b>		<b>127.25</b>	<b>(109.07)</b>
IX <b>Total comprehensive income for the year (VII-VIII)</b>		<b>10,611.01</b>	<b>5,991.14</b>
<b>Profit for the year</b>			
Attributable to			
a) Owner of the Company		<b>10,087.17</b>	5,404.08
b) Non controlling interest		<b>651.09</b>	477.99
<b>Other comprehensive loss/(income) for the year</b>		<b>127.25</b>	<b>(109.07)</b>
Attributable to			
a) Owner of the Company		<b>126.80</b>	(107.02)
b) Non controlling interest		<b>0.45</b>	(2.05)
<b>Total comprehensive income for the year</b>		<b>10,611.01</b>	<b>5,991.14</b>
Attributable to			
a) Owner of the Company		<b>9,960.37</b>	5,511.10
b) Non controlling interest		<b>650.64</b>	480.04
Earnings per equity share (of ₹ 10 each) (absolute amount)	31		
Basic (₹) (absolute amount)		<b>18.13</b>	9.71
Diluted (₹) (absolute amount)		<b>18.13</b>	9.71

The above Consolidated Statement of Profit and Loss account should be read in conjunction with the accompanying notes to the consolidated financial statements. (1-52)

As per our report of even date attached.  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pramod B. Shukla**  
Partner

**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

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

Place: Gurugram  
Date: 22 May 2023

## Consolidated cash flow statement for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>14,104.57</b>	8,056.42
<b>Adjustments for:</b>		
Depreciation and amortisation expense	<b>8,367.18</b>	8,706.29
Loss on sale/discard of property, plant & equipment (net)	<b>101.41</b>	230.71
Allowance for expected credit loss and doubtful advances	<b>75.76</b>	97.22
Excess provision no longer required written back	<b>(563.23)</b>	(179.71)
Bad debts/advances written off	<b>98.08</b>	30.33
Interest income	<b>(948.49)</b>	(510.30)
Finance costs	<b>382.31</b>	427.50
Unrealised foreign exchange (gain) (net)	<b>(24.39)</b>	(22.59)
Finance income on financial assets carried at amortised cost	<b>0.65</b>	10.10
Employee share based payments	<b>419.52</b>	-
<b>Operating cash flow before working capital changes</b>	<b>22,013.37</b>	<b>16,845.97</b>
<b>Movements in working capital:</b>		
(Increase) in trade receivables	<b>(677.13)</b>	(218.34)
(Increase)/decrease in inventories	<b>(1,002.23)</b>	93.89
(Increase)/decrease in other current and non-current financial assets	<b>(133.83)</b>	163.51
Decrease/(Increase) in other current and non-current assets	<b>186.78</b>	(295.95)
(Decrease) in other current and non-current financial liabilities	<b>(43.11)</b>	(14.57)
Increase/(Decrease) in other current and non-current liabilities	<b>768.66</b>	(324.51)
(Decrease) in current and non-current provisions	<b>(655.52)</b>	(4,910.22)
Increase in trade payables	<b>4,277.81</b>	1,735.96
<b>Cash flow from operating activities post working capital changes</b>	<b>24,734.80</b>	13,075.74
Income tax paid (net)	<b>(3,696.30)</b>	(2,008.37)
<b>Net cash generated from operating activities</b>	<b>21,038.50</b>	<b>11,067.37</b>
<b>B. Cash flow from investing activities</b>		
Payment towards acquisition of property, plant and equipment (including capital work-in-progress)	<b>(10,011.66)</b>	(9,518.22)
Proceeds from sale property, plant and equipment	<b>77.09</b>	59.61
Movement in bank deposits	<b>0.55</b>	27.54
(Purchase) of investments	<b>-</b>	(794.80)
Interest received	<b>790.58</b>	515.55
Inter corporate deposit given	<b>(100.00)</b>	(3,300.00)
Inter corporate deposit received back	<b>3,400.00</b>	-
<b>Net cash (used in) investing activities</b>	<b>(5,843.44)</b>	<b>(13,010.32)</b>
<b>C. Cash flow from financing activities</b>		
Repayment of principal component of lease liabilities	<b>(62.48)</b>	(142.67)
Finance cost paid	<b>(421.29)</b>	(332.52)
Payment of dividend	<b>(306.25)</b>	(284.20)
<b>Net cash (used in) financing activities</b>	<b>(790.02)</b>	<b>(759.39)</b>
Net increase/(used) in cash and cash equivalents (A + B + C)	<b>14,405.04</b>	(2,702.34)
Cash and cash equivalents at the beginning of the year	<b>18,599.19</b>	21,301.53
<b>Cash and cash equivalents at the end of the year</b>	<b>33,004.23</b>	<b>18,599.19</b>
	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<b>Cash and cash equivalents as per above comprise of the following (refer note 10)</b>		
With banks - on current account	<b>7,404.23</b>	5,699.19
Deposits with maturity for less than three months	<b>25,600.00</b>	12,900.00
	<b>33,004.23</b>	<b>18,599.19</b>

The Consolidated Statement of Cash Flows has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'. The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes to the consolidated financial statements (1-52).

As per our report of even date attached.  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pramod B. Shukla**  
Partner

Place: Gurugram  
Date: 22 May 2023

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

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

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

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

## Consolidated statement of change in equity as at 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

### A) Equity share capital

Particulars	Balance as at 01 April 2021	Change in equity share capital during the year	Balance as at 31 March 2022	Change in equity share capital during the year	Balance as at 31 March 2023
Equity share capital	5,563.21	-	5,563.21	-	5,563.21

### B) Other equity

#### Reserves and surplus

Particulars	General reserve	Capital reserve	Capital redemption reserve	Securities premium	Retained earnings	Deemed capital contribution	Total other equity	Non controlling interest	Total
<b>Balance as at 01 April 2021</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>46,406.37</b>	<b>-</b>	<b>76,508.66</b>	<b>6,619.84</b>	<b>83,128.50</b>
Profit for the year 2021-22	-	-	-	-	5,404.08	-	5,404.08	477.99	5,882.07
<b>Other Comprehensive (loss)/Income</b>									
Remeasurements of the post employment defined benefit plans gain (net of tax)	-	-	-	-	107.02	-	107.02	2.05	109.07
Less: Dividend paid	-	-	-	-	-	-	-	(284.20)	(284.20)
<b>Balance as at 01 April 2022</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>51,917.47</b>	<b>-</b>	<b>82,019.76</b>	<b>6,815.68</b>	<b>88,835.44</b>
Profit for the year 2022-23	-	-	-	-	10,087.17	-	10,087.17	651.09	10,738.27
Share based payments (refer note 47)	-	-	-	-	-	419.52	419.52	-	419.52
<b>Other Comprehensive (loss)/Income</b>									
Remeasurements of the post employment defined benefit plans (loss) (net of tax)	-	-	-	-	(126.80)	-	(126.80)	(0.45)	(127.25)
Less: Dividend paid	-	-	-	-	-	-	-	(306.25)	(306.25)
<b>Balance as at 31 March 2023</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>61,877.84</b>	<b>419.52</b>	<b>92,399.66</b>	<b>7,160.06</b>	<b>99,559.73</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes to the consolidated financial statements (1-52).

As per our report of even date attached.  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pramod B. Shukla**  
Partner

Place: Gurugram  
Date: 22 May 2023

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

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

**Dr. 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 to the consolidated financial statements for the year ended 31 March 2023

### 1. Group information

Federal-Mogul Goetze (India) Limited ('FMGIL' or 'the Holding Company') and its Subsidiary (hereinafter referred to as "the Group"), is inter-alia engaged mainly in the manufacture, supply and distribution of 'automotive components' used in automobiles. The principal facilities of the Group are located at Patiala (Punjab), Bengaluru (Karnataka) and Bhiwadi (Rajasthan), with its registered office in Delhi. The Holding Company is listed at National Stock Exchange of India Limited and BSE Limited.

At the year end, 60.05% of the shares of the Group are held by Federal Mogul Holding Limited, Mauritius. The Company is a subsidiary of Federal Mogul Holding Limited, Mauritius.

The consolidated financial statements include the financial statements of the Holding Company, its undermentioned subsidiary:

Name of subsidiary	Country of Incorporation	Proportion (%) of equity interest	Principal activity
Federal-Mogul	India	51%	Manufacturing of
TPR India Limited			Automobile parts

The consolidated financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 22 May 2023.

### 2.1 Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorised, have been considered in preparing these consolidated financial statements.

### 2.2 Recent accounting pronouncements

On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

#### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

#### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any material impact in its financial statements.

#### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any material impact in its financial statements.

### 2.3 Statement of compliance with Ind AS

These 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 ('The Act') read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Act.

### 2.4 Basis of preparation and consolidation

#### Basis of preparation

The consolidated financial statements have been prepared in accordance with Ind AS and accounting principles generally



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023

accepted in India. Further, the consolidated 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. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

### *Basis of consolidation*

The consolidated financial statements comprises the financial statements of the Holding Company and its subsidiary as at 31 March 2023. 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.

Profit or loss and each component's other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Company and its Subsidiary Company have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as that of the Company.

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 the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on 31 March 2023.

## **2.5 Summary of Significant Accounting Policies**

### **a) Overall consideration**

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

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

The Group presents assets and liabilities in the consolidated balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets/liabilities are classified as non-current.

*Operating cycle:*

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

### c) Use of estimates

The preparation of consolidated 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 consolidated 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) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All financial information presented in Indian Rupees has been rounded to the nearest lacs (upto two decimals), except as stated otherwise

### e) 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 consolidated statement of profit or loss as incurred.

*Subsequent measurement (depreciation and useful lives)*

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis ("SLM"), over the useful life prescribed in Schedule II to the Act or useful life determined based on technical evaluation and past trends, upto the estimated residual value of the depreciable assets, as follows:

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

\* Computers are classified under Plant and Machinery.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023

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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.

## **f) 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 (capitalised)*

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

## **g) Capital work-in-progress**

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not available for intended use.

## **h) 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/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

## **i) 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 of 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 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 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.

**Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023****j) 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 and except for trade receivables which are initially measured at transaction price. 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 consolidated 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.

**k) Leases***The Group as a lessee*

The Group's leased asset classes primarily consist of property leases. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. At the date of commencement of the lease, the Group 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 Group recognizes the lease payments as an operating expense on a straight-line basis over the 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

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023

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 liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

### l) Inventories

#### Inventories are valued as follows:

Raw materials, components, stores and spares and bought out tools.	Lower of cost or 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.
Goods in transit are valued at 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 -Traded	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. 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 consolidated statement of profit and loss.

### m) 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 Group 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 Group 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 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 consolidated Balance Sheet under other current liabilities.

**Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023***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 30-90 days.

*Variable considerations associated with such sales*

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

## ii) Interest:

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

## iii) Commission:

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

## iv) Export Benefits/Incentives:

Export entitlements/incentives 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.

**n) 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.

**o) Foreign Currency Transactions***Functional and presentation currency*

The consolidated 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.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023

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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.

### p) Employee benefits

Employee benefits includes provident fund, National Pension Scheme (NPS), gratuity, compensated absences and bonus/ex-gratia.

#### I. Post-employment benefits

##### (a) Defined contribution plans:

- Provident fund

The Group offers its employees State governed provident fund linked with employee pension scheme as defined contribution plans. The contribution paid/ payable under the scheme is recognized during the period in which the employee renders the related service.

- Employee's State Insurance Contribution (ESIC) fund

The Group offers its employees State governed ESIC fund linked with employee insurance scheme as defined contribution plans. The contribution paid/ payable under the scheme is recognized during the period in which the employee renders the related service.

- 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 consolidated statement of profit and loss during the period in which the employee renders the related service.

##### (b) Defined benefit plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and return on plan assets, is reflected immediately in the consolidated balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the group recognizes related restructuring costs.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) and
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The liability or asset recognised in the consolidated balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

##### (c) Other long term employee benefits:

Long term compensation liability for compensated absences 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 the consolidated 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 to the consolidated financial statements for the year ended 31 March 2023**

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**ii. Short term Employee Benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, and ex-gratia are recognized in the period the related service is rendered at undiscounted amount of benefits expected to be paid in exchange for that service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

**q) 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.

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 unrealised tax loss, if any, are recognised to the extent that it is probable that the underlying tax loss will be utilized 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, if any, 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 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 the standalone statement of profit and loss is recognised outside the consolidated statement of profit or loss (either in other comprehensive income or in equity).

**r) 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.

**s) 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 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.

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.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023

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

### t) 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.

### u) 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 or CODM, within the meaning of Ind AS 108. The CODM evaluates the Group's performance and allocates resources based on the dominant source, nature of product and nature of risks and returns. 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.

### v) Significant management judgement in applying accounting policies and estimation uncertainty

In the application of the Group's accounting policies, which are described above, the Management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

#### *Significant management judgements*

**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.

#### *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

**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.

**Provisions and Contingencies** - The Group is the subject of certain legal, tax (direct and indirect taxes) and other regulatory matters 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.

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 litigations referred above. However, the actual future outcome may be different from this judgement.

**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 2023

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

### 3(a). Property plant and equipment

	Freehold land	Buildings*	Furniture and fittings and office equipment	Plant and machinery	Vehicles	Total	Right-of-use assets (ROU) (refer note 38)
<b>Gross carrying amount</b>							
Opening gross carrying amount as at 01 April 2021	1,485.16	12,298.43	1,899.04	138,466.33	442.35	154,591.31	1,698.82
Additions	-	1,169.72	13.13	5,950.18	29.52	7,162.55	-
Disposals/adjustments	-	(534.60)	(47.90)	(1,827.37)	(21.86)	(2,431.73)	-
<b>Closing gross carrying amount as at 31 March 2022</b>	<b>1,485.16</b>	<b>12,933.55</b>	<b>1,864.27</b>	<b>142,589.14</b>	<b>450.01</b>	<b>159,322.13</b>	<b>1,698.82</b>
<b>Gross carrying amount</b>							
Opening gross carrying amount as at 01 April 2022	1,485.16	12,933.55	1,864.27	142,589.14	450.01	159,322.13	1,698.82
Additions	-	221.91	51.91	6,169.29	32.34	6,475.45	-
Disposals/adjustments	-	(31.09)	(55.60)	(1,816.31)	(22.09)	(1,925.09)	(371.91)
<b>Closing gross carrying amount as at 31 March 2023</b>	<b>1,485.16</b>	<b>13,124.37</b>	<b>1,860.58</b>	<b>146,942.12</b>	<b>460.26</b>	<b>163,872.49</b>	<b>1,326.91</b>
<b>Accumulated depreciation</b>							
Opening accumulated depreciation as at 01 April 2021	-	6,090.08	1,427.12	93,476.05	349.67	101,342.92	413.79
Depreciation charge during the year	-	393.52	87.80	8,002.27	27.83	8,511.42	126.84
Disposals/adjustments	-	(389.03)	(39.15)	(1,676.77)	(20.98)	(2,125.93)	-
<b>Closing accumulated depreciation as at 31 March 2022</b>	<b>-</b>	<b>6,094.57</b>	<b>1,475.77</b>	<b>99,801.55</b>	<b>356.52</b>	<b>107,728.41</b>	<b>540.63</b>
<b>Accumulated depreciation</b>							
Opening accumulated depreciation as at 01 April 2022	-	6,094.57	1,475.77	99,801.55	356.52	107,728.41	540.63
Depreciation charge during the year	-	425.20	87.57	7,643.30	26.40	8,182.47	116.68
Disposals/adjustments	-	(23.50)	(50.83)	(1,665.70)	(15.33)	(1,755.36)	(371.91)
<b>Closing accumulated depreciation as at 31 March 2023</b>	<b>-</b>	<b>6,496.27</b>	<b>1,512.51</b>	<b>105,779.15</b>	<b>367.59</b>	<b>114,155.52</b>	<b>285.40</b>
<b>Net carrying amount as at 31 March 2022</b>							
	<b>1,485.16</b>	<b>6,838.98</b>	<b>388.50</b>	<b>42,787.59</b>	<b>93.49</b>	<b>51,593.72</b>	<b>1,158.19</b>
<b>Net carrying amount as at 31 March 2023</b>							
	<b>1,485.16</b>	<b>6,628.10</b>	<b>348.07</b>	<b>41,162.97</b>	<b>92.67</b>	<b>49,716.97</b>	<b>1,041.51</b>

\* Includes buildings constructed on leasehold land.

#### Note:

1. Refer note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
2. There is no property, plant and equipment which are pledged or under lien for secured borrowings.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 3(b). Intangible assets

	Software (acquired)	Total
<b>Gross carrying amount</b>		
Opening gross carrying amount as at 01 April 2021	313.24	313.24
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount as at 31 March 2022</b>	<b>313.24</b>	<b>313.24</b>
<b>Gross carrying amount</b>		
Opening gross carrying amount as at 01 April 2022	313.24	313.24
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount as at 31 March 2023</b>	<b>313.24</b>	<b>313.24</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation as at 01 April 2021	169.33	169.33
Amortisation charge during the year	68.03	68.03
<b>Closing accumulated amortisation as at 31 March 2022</b>	<b>237.36</b>	<b>237.36</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation as at 01 April 2022	237.36	237.36
Amortisation charge during the year	68.03	68.03
<b>Closing accumulated amortisation as at 31 March 2023</b>	<b>305.39</b>	<b>305.39</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>75.88</b>	<b>75.88</b>
<b>Net carrying amount as at 31 March 2023</b>	<b>7.85</b>	<b>7.85</b>

### 3(c) For capital-work-in progress (CWIP), following is the ageing schedule:

As at 31 March 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	6,381.48	2,136.50	13.88	-	8,531.86
Project temporarily suspended	-	-	-	-	-
<b>As at March 2022</b>					
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	4,437.81	14.15	-	395.46	4,847.42
Project temporarily suspended	-	-	-	-	-

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

**3(d) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following is the CWIP completion schedule :**

As at 31 March 2023	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Plant and machinery	4,263.97	-	-	-	4,263.97
Nitrex Furnace	602.87	-	-	-	602.87
Nitrogen Box And Toolings	65.51	-	-	-	65.51

As at March 2022	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Laser marking machine for PVD project	395.46	-	-	-	395.46

## 4. Non-current Investments

	As at 31 March 2023	As at 31 March 2022
<b>(i) Investment in 0.01% Compulsorily convertible debentures of other entity, unquoted</b>		
71,760 debentures (previous year: 71,760 debentures) of ₹ 1,000 each (absolute amount) of AMPSolar Technology Two Private Limited.	<b>136.17</b>	135.58
<b>(ii) Investment in equity shares of other entities, unquoted</b>		
53,000 Equity shares (previous year : 53,000 equity shares) of ₹ 10 each (absolute amount) fully paid in Vyshali Energy Private Limited	<b>5.30</b>	4.90
797,341 Equity shares (previous year : 797,341 equity shares) of ₹ 10 each (absolute amount) fully paid in AMPSolar Technology Two Private Limited	<b>15.06</b>	15.06
3,889,600 (previous year: 3,889,600) equity shares of ₹ 5 each (absolute amount) fully paid in GI Power Corporation Limited#	-	-
<b>Aggregate carrying amount of unquoted investments</b>	<b>156.53</b>	<b>155.54</b>

# The fair value of unquoted equity shares is Nil (previous year: Nil)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 5. Other financial assets

	As at 31 March 2023		As at 31 March 2022	
	Non current	Current	Non current	Current
<b>Unsecured, considered good</b>				
Margin money deposits kept with government authorities	560.02	-	560.57	-
Security deposits	1,299.65	-	1,252.00	42.19
Export incentive receivable	-	122.09	-	244.03
Earnest money deposits	-	-	-	10.83
Interest accrued on deposits	18.36	176.30	19.37	19.32
Other receivables#	-	885.96	-	624.53
	<b>1,878.03</b>	<b>1,184.35</b>	<b>1,831.94</b>	<b>940.90</b>

**Note:** Refer note 33 for fair value disclosures in respect of financial assets measured at amortised cost and refer note 34 for financial risk management.

# includes receivables from related parties (refer note 39)

### 6. Current tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Income tax payments less provisions	1,767.12	1,584.08
	<b>1,767.12</b>	<b>1,584.08</b>

### 7. Other assets

	As at 31 March 2023		As at 31 March 2022	
	Non current	Current	Non current	Current
Capital advances (Unsecured, considered good)	881.80	-	729.67	-
<b>Advances other than capital advances:</b>				
Unsecured, considered good	-	716.92	-	876.54
Unsecured, credit impaired	-	2.12	-	3.30
Less: Provision for doubtful advances	-	(2.12)	-	(3.30)
	-	<b>716.92</b>	-	<b>876.54</b>
Prepaid expenses	712.75	925.79	748.31	1,007.48
Paid to government authorities under protest (including deposits paid under protest)	552.23	314.75	916.95	-
Other receivables#	-	523.64	-	490.44
	<b>2,146.78</b>	<b>2,481.10</b>	<b>2,394.93</b>	<b>2,374.46</b>

# includes recoverable from related parties (refer note 39)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 8. Inventories\* (Valued at lower of cost or net realisable value)

	As at 31 March 2023	As at 31 March 2022
Raw materials and components (includes goods in transit of ₹ 1,342.59 lacs (previous year ₹ 808.83 lacs))	4,528.76	3,858.79
Work-in-progress	5,255.08	5,422.31
Finished goods	6,895.82	6,543.42
Traded goods	9.70	10.12
Stores and spares (includes goods in transit of ₹ 36.78 lacs (previous year ₹ 94.64 lacs))	2,883.39	2,735.87
	<b>19,572.75</b>	<b>18,570.51</b>

\* Hypothecated against borrowing facilities availed from banks.

#### Notes:

- The cost of inventories recognised as an expense includes Nil (previous year ₹ 722.33 lacs) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ 619.46 lacs (previous year Nil) in respect of reversals of such write-downs. The same has been included in note 23,24 and 25.
- The cost of inventories recognised as expense was ₹ 65,005.84 lacs (Previous year ₹ 48,471.03 lacs).

### 9. Trade receivables\*

	As at 31 March 2023	As at 31 March 2022
Secured, considered good (refer note 4 below)	71.73	379.10
Unsecured, considered good	27,164.11	26,237.85
Unsecured, significant increase in credit risk	410.64	358.79
	<b>27,646.48</b>	26,975.73
Less: Allowance for expected credit loss	<b>(410.64)</b>	(358.79)
	<b>27,235.84</b>	<b>26,616.94</b>

\* Hypothecated against borrowing facilities availed from banks.

#### Notes:

- The credit period generally allowed on domestic sales as well as export sales varies from 30 to 90 days (excluding transit period).
- Refer note 34(b) for Allowance for expected credit loss.
- Refer note 39 for balances due from related parties.
- Secured to the extent of deposit obtained from the customers.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### Trade receivables ageing schedule as at 31 March 2023

	Outstanding for following periods from due date of payment						Total
	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	24,119.52	2,490.01	171.39	382.94	54.59	17.39	27,235.84
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	182.18	96.51	58.26	73.69	410.64
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>24,119.52</b>	<b>2,490.01</b>	<b>353.57</b>	<b>479.45</b>	<b>112.85</b>	<b>91.08</b>	<b>27,646.48</b>
							Less: Allowances for expected credit loss (410.64)
							<b>27,235.84</b>

### Trade receivables ageing schedule as at 31 March 2022

	Outstanding for following periods from due date of payment						Total
	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	22,507.84	1,891.27	1,565.29	579.76	60.77	12.01	26,616.94
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	81.14	155.37	53.37	68.91	358.79
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>22,507.84</b>	<b>1,891.27</b>	<b>1,646.43</b>	<b>735.13</b>	<b>114.14</b>	<b>80.92</b>	<b>26,975.73</b>
							Less: Allowances for expected credit loss (358.79)
							<b>26,616.94</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 10. Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
<b>Cash and cash equivalents</b>		
Balances with banks:		
- Current accounts	7,404.23	5,699.19
- Fixed deposits with original maturity less than 3 months	25,600.00	12,900.00
	<b>33,004.23</b>	<b>18,599.19</b>

### 11. Loans

	As at 31 March 2023	As at 31 March 2022
<b>At amortised cost (Unsecured, considered good)</b>		
Inter corporate deposit to related party (refer note 39)	-	3,300.00
	-	<b>3,300.00</b>

### 12. Equity share capital

	As at 31 March 2023	As at 31 March 2022
<b>Authorised shares</b>		
80,000,000 (previous year: 80,000,000) equity shares of ₹ 10 (absolute amount) 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 (previous year: 55,632,130) equity shares of ₹ 10 (absolute amount) 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 year.

#### (b) Terms/rights/restriction attached to equity shares.

The Company has only one class of equity shares having par value of ₹ 10 (absolute amount) 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 Company and/or their subsidiaries

Name of the shareholder	31 March 2023		31 March 2022	
	No.	% holding	No.	% holding
<b>Equity shares of ₹ 10 (absolute amount) - fully paid</b>				
Federal Mogul Holding Limited, Mauritius, the Holding company	3,34,08,581	60.05%	3,34,08,581	60.05%
Federal Mogul Vermögensverwaltungs GMBH, a fellow subsidiary company	83,06,873	14.93%	83,06,873	14.93%

#### (d) Details of shares held by promoters of the Company.

Name of the Promoter*	As at 31 March 2023			As at 31 March 2022		
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
Federal Mogul Holding Limited, Mauritius	3,34,08,581	60.05%	-	3,34,08,581	60.05%	-
Federal Mogul Vermögensverwaltungs GMBH	83,06,873	14.93%	-	83,06,873	14.93%	-

\*Promoters here means promoter as defined under Companies Act, 2013.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### (e) 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 2023		31 March 2022	
	No.	% holding	No.	% holding
<b>Equity shares of ₹ 10- (absolute amount) 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 Vermögensverwaltungs GMBH, a Fellow subsidiary company	83,06,873	14.93%	83,06,873	14.93%
c) Rajasthan Global Securities Private Limited	53,01,101	9.53%	44,29,933	7.96%

(f) 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.

### 13. Other equity

	General reserve	Capital reserve	Capital redemption reserve	Securities premium	Retained earnings	Deemed capital contribution	Total
<b>Balance as at 01 April 2021</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>46,406.37</b>	<b>-</b>	<b>76,508.66</b>
Profit for the year	-	-	-	-	5,404.08	-	5,404.08
Items of other comprehensive income recognised directly in retained earnings:							
Remeasurements of the post employment defined benefit plans (loss) (net of tax)	-	-	-	-	107.02	-	107.02
<b>Balance as at 31 March 2022</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>51,917.47</b>	<b>-</b>	<b>82,019.76</b>
Profit for the year	-	-	-	-	10,087.17	-	10,087.17
Share based payments	-	-	-	-	-	419.52	419.52
Items of other comprehensive loss recognised directly in retained earnings:							
Remeasurements of the post employment defined benefit plans (loss) (net of tax)	-	-	-	-	(126.80)	-	(126.80)
<b>Balance as at 31 March 2023</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>61,877.84</b>	<b>419.52</b>	<b>92,399.66</b>

#### Description of 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 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 earlier years.

**Capital redemption reserve -** This reserve was created for redemption of preference shares in the financial year 2003-04 and 2011-12. The preference shares were redeemed in the financial year 2003-04 and 2011-12.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

**Retained earnings** - This represents accumulated profits of the Group after appropriation of reserves and adjustments for other comprehensive income/loss.

**Deemed capital contribution**- This represents contribution in respect of Restricted Stock Units (RSUs) given to the employee of the Group by Tenneco Inc. Also refer note 47.

### 14. Provisions

	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current	Non Current	Current
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 41)	1,731.90	4.89	1,956.32	3.69
Provision for compensated absences	1,362.54	369.21	1,246.50	263.74
	<b>3,094.44</b>	<b>374.10</b>	<b>3,202.82</b>	<b>267.43</b>
Provision for legal, tax and other regulatory matters (refer note (a) below)	143.84	1,008.00	182.52	1,453.10
	<b>143.84</b>	<b>1,008.00</b>	182.52	1,453.10
	<b>3,238.28</b>	<b>1,382.10</b>	<b>3,385.34</b>	<b>1,720.53</b>

#### Note (a): Movement of provision relating to legal, tax and other regulatory matters (also refer note 44)

	31 March 2023				
	Opening balance	Provision/ adjustments made during the year	Utilised/ reversed during the year	Finance expense on unwinding of provision	Closing balance
Indirect tax (Excise, VAT, property tax, etc)	896.16	33.08	(488.26)	-	440.98
Income tax	301.68	7.40	-	-	309.08
Employee related matters	218.76	208.54	(214.04)	-	213.26
Relating to Environmental, health and safety	219.02	8.18	(53.29)	14.61	188.52
	<b>1,635.62</b>	<b>257.20</b>	<b>(755.59)</b>	<b>14.61</b>	<b>1,151.84</b>

	31 March 2022				
	Opening balance	Provision/ adjustments made during the year	Utilised/ reversed during the year	Finance expense on unwinding of provision	Closing balance
Indirect tax (Excise, VAT, property tax, etc)	989.48	(36.31)	(57.01)	-	896.16
Income tax	328.34	(26.66)	-	-	301.68
Employee related matters	4,331.14	1,178.83	(5,291.21)	-	218.76
Relating to Environmental, health and safety	207.48	67.35	(67.97)	12.16	219.02
	<b>5,856.44</b>	<b>1,183.21</b>	<b>(5,416.19)</b>	<b>12.16</b>	<b>1,635.62</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 15. Deferred tax (assets)/liabilities (net)

	Opening balance as on 1 April 2022	Recognised in statement of profit & loss	Recognised in OCI	Closing balance as on 31 March 2023
<b>Deferred tax assets</b>				
Provision for employees benefits	876.24	(43.51)	42.80	<b>875.52</b>
Provision for expected credit loss	90.83	13.05	-	<b>103.87</b>
Provision for legal, tax and other regulatory matters	329.36	(120.18)	-	<b>209.18</b>
Expenses allowed in tax on payment basis	477.79	(76.31)	-	<b>401.48</b>
	<b>1,774.22</b>	<b>(226.95)</b>	<b>42.80</b>	<b>1,590.05</b>
<b>Deferred tax liabilities</b>				
Difference in book value and tax base of property, plant and equipment, right- of- use assets and intangible assets	2,072.60	(313.24)	-	<b>1,759.36</b>
	<b>2,072.60</b>	<b>(313.24)</b>	-	<b>1,759.36</b>
<b>Deferred tax liabilities</b>	<b>298.38</b>	<b>(86.29)</b>	<b>(42.80)</b>	<b>169.31</b>
<b>Deferred tax liabilities (net)</b>	<b>298.38</b>			<b>170.49</b>
<b>Deferred tax assets (net)</b>				<b>(1.18)</b>

	Opening balance as on 1 April 2021	Recognised in statement of profit & loss	Recognised in OCI	Closing balance as on 31 March 2022
<b>Deferred tax assets</b>				
Provision for employees benefits	1,085.70	(172.77)	(36.68)	876.24
Provision for expected credit loss	73.22	17.61	-	90.83
Provision for legal, tax and other regulatory matters	1,376.93	(1,047.57)	-	329.36
Expenses allowed in tax on payment basis	506.54	(28.75)	-	477.79
	<b>3,042.39</b>	<b>(1,231.48)</b>	<b>(36.68)</b>	<b>1,774.22</b>
<b>Deferred tax liabilities</b>				
Difference in book value and tax base of property, plant and equipment, right- of- use assets and intangible assets	2,582.33	(509.72)	-	2,072.60
	<b>2,582.33</b>	<b>(509.72)</b>	-	<b>2,072.60</b>
<b>Net deferred tax (assets)/liabilities</b>	<b>(460.06)</b>	<b>721.76</b>	<b>36.68</b>	<b>298.38</b>
<b>Deferred tax liabilities (net)</b>	-	-	-	<b>298.38</b>
<b>Deferred tax assets (net)</b>	<b>(460.06)</b>	-	-	-

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 16. Trade payables

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises	2,198.21	1,654.70
Total outstanding dues of creditors other than micro enterprises and small enterprises (including acceptances)	32,023.31	28,858.72
	<b>34,221.52</b>	<b>30,513.42</b>

### Trade payables ageing schedule as at 31 March 2023

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed outstanding dues to micro enterprises and small enterprises	-	2,044.01	154.20	-	-	-	2,198.21
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	4,223.39	18,621.63	9,007.05	136.90	11.28	23.06	32,023.31
(iii) Disputed outstanding dues to micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>4,223.39</b>	<b>20,665.64</b>	<b>9,161.25</b>	<b>136.90</b>	<b>11.28</b>	<b>23.06</b>	<b>34,221.52</b>

### Trade payables ageing schedule as at 31 March 2022

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed outstanding dues to micro enterprises and small enterprises	-	1,517.49	137.21	-	-	-	1,654.70
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	4,504.53	20,022.22	4,242.59	56.25	13.36	19.77	28,858.72
(iii) Disputed outstanding dues to micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>4,504.53</b>	<b>21,539.71</b>	<b>4,379.80</b>	<b>56.25</b>	<b>13.36</b>	<b>19.77</b>	<b>30,513.42</b>

Refer note 39 for related party balances

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 17. Lease liabilities

	As at 31 March 2023		As at 31 March 2022	
	Non current	Current	Non current	Current
Lease liabilities (refer note 40)	761.14	69.35	830.50	62.47
	<b>761.14</b>	<b>69.35</b>	<b>830.50</b>	<b>62.47</b>

### 18. Other current financial liabilities

	As at 31 March 2023	As at 31 March 2022
Payables to capital creditors	<b>662.97</b>	362.93
Deposits from dealers	<b>341.64</b>	379.10
Interest accrued on security deposits	<b>4.94</b>	51.01
Others	<b>10.55</b>	16.17
	<b>1,020.10</b>	<b>809.21</b>

### 19. Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Advance from customers	<b>421.88</b>	258.91
Payable for statutory dues	<b>2,297.39</b>	1,690.51
Other current liabilities	<b>20.92</b>	15.12
	<b>2,740.19</b>	<b>1,964.54</b>

### 20. Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Current tax liabilities (net)	-	60.66
	-	<b>60.66</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 21. Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Revenue from operations</b>		
Sale of products	159,765.90	131,938.25
<b>Other operating revenue</b>		
Export incentives	309.36	143.94
Scrap sales	3,338.61	2,179.78
<b>Revenue from operations</b>	<b>163,413.87</b>	<b>134,261.97</b>

Note: Also refer note 42

### 22. Other income

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Interest income on</b>		
<i>Financial instruments measured at amortised cost</i>		
- Fixed deposits with banks	633.00	374.80
- Inter-corporate deposits (refer note 39)	268.66	102.05
- Others	46.83	33.45
Management support income	24.00	27.83
Foreign exchange fluctuation gain (net)	326.10	76.20
Excess provision/liabilities no longer required, written back	563.23	179.71
Miscellaneous income	68.50	98.12
	<b>1,930.32</b>	<b>892.16</b>

### 23. Cost of material consumed

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Raw materials and components</b>		
Opening stock	3,858.79	3,164.59
Add: purchases	63,784.83	46,641.51
Less: closing stock	(4,528.76)	(3,858.79)
	<b>63,114.86</b>	<b>45,947.31</b>

### 24. Purchases of stock-in-trade

	Year ended 31 March 2023	Year ended 31 March 2022
Purchases of stock-in-trade	2,075.73	1,700.25
	<b>2,075.73</b>	<b>1,700.25</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 25. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Opening stock</b>		
Finished products	6,543.42	7,931.10
Work-in-progress	5,422.31	4,845.73
Trading goods	10.12	22.49
	<b>11,975.85</b>	<b>12,799.32</b>
<b>Less: closing stock</b>		
Finished products	6,895.82	6,543.42
Work-in-progress	5,255.08	5,422.31
Trading goods	9.70	10.12
	<b>12,160.60</b>	<b>11,975.85</b>
	<b>(184.75)</b>	<b>823.47</b>

### 26. Employee benefit expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	29,054.91	27,642.79
Contribution to provident and other funds	2,307.46	2,276.12
Employee share-based payment (refer note 47)	419.52	-
Staff welfare expenses	2,660.35	2,605.75
	<b>34,442.24</b>	<b>32,524.66</b>

### 27. Finance cost

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on		
- financial liabilities measured at amortised cost	269.03	268.79
- on lease liabilities (refer note 40)	69.04	74.41
- unwinding of discount on fair valuation of provision	14.61	12.16
- others	26.37	46.47
Other borrowing costs	8.09	25.68
	<b>387.14</b>	<b>427.51</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 28. Depreciation and amortisation expense {refer note 3(a) & 3(b)}

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment	8,182.47	8,511.42
Depreciation of right-of-use assets	116.68	126.84
Amortisation of intangible assets	68.03	68.03
	<b>8,367.18</b>	<b>8,706.29</b>

### 29. Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and spares	16,122.97	13,968.25
Sub-contracting expenses	2,551.89	1,936.76
Power and fuel	9,782.48	8,453.86
Freight and forwarding charges	1,782.72	1,361.84
Rent (refer note 40)	81.04	69.65
Rates and taxes	150.98	178.77
Insurance	326.55	343.46
Repairs and maintenance		
Plant and machinery	1,082.90	791.46
Buildings	307.09	144.64
Others	644.48	577.01
Selling, administration and distribution expense	344.40	316.62
Management support charges (refer note 45)	3,414.99	3,241.28
Royalty and trade-mark & license fees	3,388.14	2,662.25
Product rectification charges	8.69	9.65
Travelling and conveyance	439.32	201.92
Communication costs	29.73	46.24
Corporate social responsibility expense (refer note 48)	82.86	153.21
Printing and stationery	111.18	74.96
Legal and professional fees	524.32	638.88
Auditors remuneration	77.42	66.07
Bad debts/advances written off	98.08	30.33
Allowance for expected credit loss	75.76	97.22
Loss on sale of property, plant and equipment (net)	101.41	230.71
Environmental maintenance and remediation	396.21	401.79
Bank charges	105.22	74.95
Miscellaneous expenses	1,006.39	896.44
	<b>43,037.22</b>	<b>36,968.22</b>

### \*Auditors remuneration

	Year ended 31 March 2023	Year ended 31 March 2022
-As auditors		
Statutory audit	47.30	33.83
Limited reviews	28.62	28.24
Taxation matters (for tax audit)	-	4.00
Other services	1.50	-
	<b>77.42</b>	<b>66.07</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 30. Tax expense

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax	4,055.25	1,542.36
Tax related to earlier years	(602.65)	(89.77)
Deferred tax (credit)/expense	(86.29)	721.76
	<b>3,366.31</b>	<b>2,174.35</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>14,104.57</b>	<b>8,056.42</b>
At country's statutory income tax rate of 25.17% (previous year: 25.17%)	3,549.84	2,027.64
Tax effect of non deductible expenses	121.64	89.14
Tax impact of inter profit elimination entries and dividend	78.95	92.81
Others	218.53	54.53
<b>Total tax expense relating to the current year</b>	<b>3,968.96</b>	<b>2,264.12</b>
Effect of the tax adjustments related to earlier years	(602.65)	(89.77)
<b>Total tax expense</b>	<b>3,366.31</b>	<b>2,174.35</b>

### 31. Earnings per share

	Year ended 31 March 2023	Year ended 31 March 2022
Profit for the year as per the Consolidated Statement of Profit and Loss	10,087.17	5,404.08
Weighted average number of equity shares considered for calculating basic and diluted EPS	55,632,130	55,632,130
Nominal value of shares (₹) (absolute amount)	10.00	10.00
Earning per share - basic and diluted (₹) (absolute amount)	18.13	9.71

### 32. Event occurring after the reporting period

Subsequent to the year ended 31 March 2023, the amount of per share dividend proposed by the Board of Directors of subsidiary company (Federal-Mogul TPR (India) Limited) to equity shareholders is ₹ 8.65 (absolute amount) (previous year ₹ 6.25 (absolute amount)). The dividend proposed by Board of Directors of subsidiary company is subject to the approval of the shareholders of subsidiary company in the ensuing General meeting and is in accordance with the Section 123 of the Companies Act, 2013, as applicable.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 33. 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) Investment in equity shares are being carried at fair value through profit and loss .

The fair value of investment in GI Power Corporation Limited is determined to be zero. The fair values of the unquoted investment in shares of Vyshali Energy private Limited approximates the cost of the shares.

#### iii) Fair value of instruments measured at amortised cost

Cash and cash equivalents, loans, trade receivables, investments in compulsorily convertible debentures, other current financial assets, trade payables 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 investments 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.
- Security deposits given to government authorities are shown at cost as the same are given till perpetuity."

### 34. Financial risk management

#### i) Financial instruments by category

	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	20.36	-	136.17	19.96	-	135.58
Trade receivables	-	-	27,235.84	-	-	26,616.94
Cash and cash equivalents	-	-	33,004.23	-	-	18,599.19
Loans	-	-	-	-	-	3,300.00
Other financial assets	-	-	3,062.38	-	-	2,772.84
<b>Total</b>	<b>20.36</b>	<b>-</b>	<b>63,438.62</b>	<b>19.96</b>	<b>-</b>	<b>51,424.55</b>
<b>Financial liabilities</b>						
Trade payable	-	-	34,221.52	-	-	30,513.42
Lease liabilities	-	-	830.49	-	-	892.97
Other financial liabilities	-	-	1,020.10	-	-	809.21
<b>Total</b>	<b>-</b>	<b>-</b>	<b>36,072.11</b>	<b>-</b>	<b>-</b>	<b>32,215.60</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

1. The Group has an investment in GI Power Corporation Limited which is carried at fair value which is equivalent to zero.
2. Financial instruments carried at FVTPL has been valued using level 3 hierarchy.

### ii) Risk management

The Group's activities expose it to credit risk, liquidity risk and market 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 consolidated 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 to group company and receivables from customers, placing deposits, etc. The Group's maximum exposure to credit risks is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost,
- deposits with banks, and
- other financial assets.

#### 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 risks 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 risk		As at 31 March 2023	As at 31 March 2022
A: Low	Cash and cash equivalents	33,004.23	18,599.19
	Other financial assets	3,062.38	2,772.84
	Trade receivables (considered good)	27,235.84	26,616.93
B: High	Trade receivables (significant increase in credit risk)	410.64	358.79

#### 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 diversify 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.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes security deposits, export incentive receivables and others (including advances to employees). 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.

	As at 31 March 2023		As at 31 March 2022	
	>365 days	0 - 365 Days	>365 days	0 - 365 Days
Gross amount of trade receivables where no default (as defined above) has occurred	683.38	26,963.10	930.19	26,045.54
Expected loss rate (in %)	33.43%	0.68%	29.85%	0.31%
Expected credit loss( loss allowance provision)	228.46	182.18	277.65	81.14

### Reconciliation of loss allowance – lifetime expected credit losses

	Trade receivables
<b>Loss allowance as on 01 April 2021</b>	<b>288.81</b>
Impairment loss recognised during the year	97.22
Amounts written off	(27.24)
<b>Loss allowance as on 01 April 2022</b>	<b>358.79</b>
Impairment loss recognised during the year	75.76
Amounts written off	(23.91)
<b>Loss allowance on 31 March 2023</b>	<b>410.64</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 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 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 Consolidated Financial Statements for the year ended 31 March 2023

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

31 March 2023	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payables	34,221.52	-	-	-	34,221.52
Lease Liabilities	133.69	314.97	347.98	290.28	1,086.92
Other financial liabilities	1,020.10	-	-	-	1,020.10
<b>Total</b>	<b>35,375.31</b>	<b>314.97</b>	<b>347.98</b>	<b>290.28</b>	<b>36,328.54</b>

31 March 2022	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payables	30,513.42	-	-	-	30,513.42
Lease Liabilities	131.52	291.18	324.35	471.39	1,218.44
Other financial liabilities	809.21	-	-	-	809.21
<b>Total</b>	<b>31,454.15</b>	<b>291.18</b>	<b>324.35</b>	<b>471.39</b>	<b>32,541.07</b>

### 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, Great Britain Pound, Japanese Yen and Chinese yuan. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency 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 ₹ are as follows

	Foreign Currency	As at 31 March 2023 (amount in foreign currency) (in lacs)	As at 31 March 2023 (₹ in lacs)	As at 31 March 2022 (amount in foreign currency) (in lacs)	As at 31 March 2022 (₹ in lacs)
<b>Financial liabilities</b>					
Trade payables	USD	9.97	819.04	22.44	1,700.69
	EUR	29.73	2,656.25	7.28	616.64
	GBP	2.72	276.34	1.46	145.20
	JPY	455.56	281.82	413.68	257.62
	CNY	6.09	72.87	2.68	32.00
			<b>4,106.32</b>		<b>2,752.15</b>
<b>Financial assets</b>					
Trade receivables	USD	23.70	1,947.05	75.02	5,687.43
	EUR	3.58	319.65	7.05	596.46
	GBP	-	-	0.75	74.47
			<b>2,266.70</b>		<b>6,358.36</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(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.

	As at 31 March 2023	As at 31 March 2022
<b>USD sensitivity</b>		
INR/USD- increase by 500 bp (previous year: 500 bp)*	56.40	199.34
INR/USD- decrease by 500 bp (previous year: 500 bp)*	(56.40)	(199.34)
<b>EUR sensitivity</b>		
INR/EUR- increase by 500 bp (previous year: 500 bp)*	(116.83)	(1.01)
INR/EUR- decrease by 500 bp (previous year: 500 bp)*	116.83	1.01
<b>GBP sensitivity</b>		
INR/GBP- increase by 500 bp (previous year: 500 bp)*	(13.82)	(3.54)
INR/GBP- decrease by 500 bp (previous year: 500 bp)*	13.82	3.54
<b>JPY sensitivity</b>		
INR/JPY- increase by 500 bp (previous year: 500 bp)*	(14.09)	(12.88)
INR/JPY- decrease by 500 bp (previous year: 500 bp)*	14.09	12.88
<b>CNY sensitivity</b>		
INR/CNY- increase by 500 bp (previous year: 500 bp)*	(3.64)	(1.60)
INR/CNY- decrease by 500 bp (previous year: 500 bp)*	3.64	1.60

\* Holding all other variables constant

### b) Interest rate risk

#### i) Liabilities

The Group does not have any outstanding borrowings amount and hence there is no interest rate risk.

#### 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.

## 35. 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 consolidated 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.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

	As at 31 March 2023	As at 31 March 2022
Total debt	-	-
Equity attributable to owners of the company(as shown on the BS)	<b>97,962.87</b>	87,582.97
<b>Debt equity ratio</b>	-	-

### 36. Capital commitments

	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment (net of capital advances)	<b>1,578.81</b>	3,939.56
	<b>1,578.81</b>	<b>3,939.56</b>

### 37. 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 ₹ 24,167.85 lacs (previous year ₹ 15,333.77 lacs). No other single customer represents 10% or more to the Group revenue for financial year ended 31 March 2023 and 31 March 2022.

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

	Year ended 31 March 2023	Year ended 31 March 2022
India	<b>1,47,955.53</b>	1,13,500.62
Other countries	<b>11,810.37</b>	18,437.63
	<b>1,59,765.90</b>	<b>1,31,938.25</b>

#### Carrying amount of segment trade receivables by geographical market (net of provision)

	Year ended 31 March 2023	Year ended 31 March 2022
India	<b>23,888.61</b>	19,251.69
Other countries	<b>3,347.23</b>	7,365.25
	<b>27,235.84</b>	<b>26,616.94</b>

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### 38. Contingent liabilities

	As at 31 March 2023	As at 31 March 2022
<b>Claims against the Company not acknowledge as debt</b>		
<b>(i) Excise duty</b>		
(a) Cases pending before Appellate authorities in respect of which the Group has filed appeals	<b>243.40</b>	16.43
(b) Show cause notices/Show cause notice cum demand on matters yet to be adjudicated	<b>77.31</b>	804.46
<b>(ii) Service tax</b>		
(a) Cases pending before Appellate authorities in respect of which the Group has filed appeals	<b>1,367.34</b>	1,373.16
(b) Show cause notices on issues yet to be adjudicated	<b>75.53</b>	75.53
<b>(iii) Value added tax/Central sales tax</b>		
(a) Cases pending before Appellate authorities in respect of which the Group has filed appeals	<b>642.27</b>	652.67
<b>(iv) Goods and Service Tax</b>		
(a) Show cause notices/Show cause notice cum demand on matters yet to be adjudicated	<b>395.83</b>	5.19
<b>(v) Income tax</b>		
(a) Cases decided in the Group's favour by Appellate authorities department has filed further appeal	-	449.02
(b) Cases pending before Appellate authorities in respect of which the Group has filed appeals	<b>2,951.67</b>	2,942.01
(c) Traces liability - Tax deducted at source	<b>0.94</b>	6.73
<b>(vi) Others</b>		
(a) Employee related cases	<b>120.44</b>	135.51

#### Footnote:

- (a) Future ultimate outflow of resources embodying economic benefits in respect of the matters which are uncertain as it depends on the final outcome of the matters involved. "
- (b) The Group has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required, and disclosed as contingent liabilities wherever applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on the consolidated financial statements.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 39. Related party disclosures

#### i) Ultimate Holding Company

- Pegasus Holdings One, LLC (with effect from 17 November 2022)
- Tenneco Inc, USA (upto 16 November 2022 and Intermediate holding company with effect from 17 November 2022)

#### ii) Holding Company

- Federal-Mogul Holdings Limited (Mauritius)

Below are the list of other related parties with whom there have been transactions with the Company

#### (b) Key managerial personnel

Vinod Kumar Hans, Whole Time Managing Director

Manish Chadha, Whole-time Director-Finance & Chief Financial Officer

Rajesh Sinha, Whole Time Director

Khalid Iqbal Khan, Whole Time Director- Legal and Company Secretary

Krishnamurthy Naga Subramaniam, Chairman & Independent Director

Sundareshan Kanakku Chembakaraman Pillai, Independent Director

Nalini Jolly, Independent Director

#### (c) Fellow subsidiaries

- Federal-Mogul Burscheid GmbH, (Germany)
- Federal-Mogul Nürnberg, GmbH (Germany)
- Federal-Mogul Holding Deutschland GmbH (Germany)
- Federal-Mogul Limited (UK)
- Federal-Mogul Corporation Gorzyce Sp. z o.o. (Poland)
- Federal-Mogul Friedberg, GMBH (Germany)
- Federal-Mogul Coventry Limited. (UK)
- Federal-Mogul (Thailand) Ltd. (Thailand)
- Federal-Mogul Garennnes SAS (France)
- Federal-Mogul Sistemas Automotivos Ltda (Brazil)
- Federal-Mogul Japan KK (Japan)
- Federal-Mogul Motorparts LLC (USA)
- Federal-Mogul Naberezhnye Chelny (Russia)
- Federal-Mogul de Mexico, S. de R.L. de C.V. (Mexico)
- Federal-Mogul Bearings India Limited (India)  
(formerly known as Federal-Mogul Anand Bearing India Limited)

**Notes to the Consolidated Financial Statements for the year ended 31 March 2023**

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

- Federal-Mogul Ignition Products India Limited (India)
- Federal-Mogul Powertrain Solutions India Private Limited (India)
- Federal-Mogul Sealing India Limited (India) (formerly known as Federal-Mogul Anand Sealings India Limited)
- Motocare India Private Limited (India)
- Tenneco Clean Air india Private Limited (India)
- Federal-Mogul Global aftermarket EMEA, B.V. (Belgium)
- Federal-Mogul Powertrain Otomotiv A.S. (Turkey)
- Federal-Mogul Powertrain LLC (USA)
- Piston Rings UK Limited (UK)
- Tenneco Automotive Operating Co. Inc. (USA)
- Federal-Mogul TP Europe GmbH & Co. KG (Germany)
- Federal-Mogul Weston (USA)
- Federal-Mogul aftermarket Southern Africa (Pty) Ltd. (South Africa)
- Federal-Mogul ARN (Anqing) Powder Limited (China)
- Federal-Mogul Corporation (Southbend, USA)
- VTD Vakuumtechnik Dresden GmbH (Germany)
- Federal- Mogul UK Investments Limited
- Anqing TP Goetze Piston Ring Co. Limited

**(d) Entities having significant influence over the subsidiary Company**

- TPR Co., Limited (Japan)
- PT TPR Indonesia
- TPR (Tianjin), Limited
- TPR Autoparts Mfg. India Private Limited

**e) Related party of intermediate holding Company**

- Anqing TP Goetze Piston Ring Co. Limited

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in ₹ Lacs unless otherwise stated)

### Related party transactions

a)

	Ultimate Holding Company Tennoco Inc. (USA)	
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
<b>Transactions during the year</b>		
a. Amount recoverable by the Group in respect of expenditure incurred by the Group	<b>135.33</b>	3.22
<b>Balance outstanding at the end of year</b>		
<b>a. Receivables</b>	<b>206.57</b>	<b>135.49</b>



Fellow Subsidiaries											
	Tenneco Automotive Operating Co. Inc (USA)		Federal Mogul Burscheid GmbH (Germany)		Federal Mogul Motorparts LLC (USA)		Federal Mogul Powertrain Automotive A.S. (Turkey)		Federal Mogul Global Aftermarket EMEA, B.V. (Belgium)		
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	
<b>Transactions during the year</b>											
<b>Transactions during the year</b>											
a. Sale of products#	-	-	10.65	-	2,462.78	4,870.46	155.99	222.11	118.74	268.95	
b. Purchase of raw materials and components#	-	-	320.61	752.32	-	-	-	-	-	-	
c. Purchase of property, plant and equipment	-	-	1,290.26	308.14	-	-	-	-	-	-	
d. Share-based payment (refer note 47)	336.99	-	-	-	-	-	-	-	-	-	
e. Amount recoverable by the Group in respect of expenditure incurred by the Group	-	-	156.04	119.49	-	-	-	-	-	-	
f. Royalty expense	-	-	985.65	805.41	-	-	-	-	-	-	
<b>Balance outstanding at the end of year</b>											
a. (Payables)	-	-	(1,507.98)	(376.12)	-	-	-	-	-	-	-
b. Receivables	-	-	122.52	223.45	1,093.27	4,403.27	35.23	42.08	58.86	118.28	

a)

		Fellow Subsidiaries									
		Federal Mogul Nurnberg, GMBH (Germany)		Federal Mogul (Thailand) Limited		Federal Mogul Holding Deutschland GmbH (Germany)		Federal Mogul Naberezhnye Chelny (Russia)		Federal Mogul Powertrain LLC	
		1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
<b>Transactions during the year</b>											
a. Sale of products#		<b>0.50</b>	1.58	<b>2,411.03</b>	4,771.71	-	-	<b>(7.40)</b>	1,009.20	<b>213.44</b>	274.49
b. Purchase of raw material and components#		<b>61.50</b>	89.19	-	-	-	-	-	-	<b>808.54</b>	463.46
c. Purchase of property, plant and equipment		<b>1,041.00</b>	518.57	-	-	-	-	-	-	<b>512.47</b>	560.03
d. Management Support charges (also refer note 45)		-	-	-	-	<b>3,414.99</b>	3,241.28	-	-	-	-
e. Royalty Expense		<b>1,572.59</b>	1,187.09	-	-	-	-	-	-	-	-
f. Software license fees		<b>0.86</b>	-	-	-	-	-	-	-	-	-
<b>Balance outstanding at the end of year</b>											
a. (Payables)		<b>(776.78)</b>	(322.25)	-	-	<b>(836.73)</b>	-	-	-	<b>(214.55)</b>	(342.06)
b. Receivables		<b>2.15</b>	10.19	<b>387.47</b>	457.55	-	48.96	<b>195.58</b>	202.97	<b>77.26</b>	253.43

b)

		Fellow Subsidiaries									
		Federal Mogul de Mexico S. de C.V. (Mexico)		Federal Mogul Coventry Limited (UK)		Federal Mogul Friedberg GMBH (Germany)		Federal Mogul Limited (UK)		Federal Mogul Corporation - Gorzyce Sp. z o.o. (Poland)	
		1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	
<b>Transactions during the year</b>											
a. Sale of products#		-			134.98			15.33	-		-
b. Purchase of raw material and components#		57.82	8.14	620.36	455.98			1.47	-		114.24
c. Trade Mark & license fees		-		-				-		188.22	160.55
d. Royalty Expense		-		472.42	352.50			-		-	-
<b>Balance outstanding at the end of year</b>											
a. (Payables)		(28.76)	(0.89)	(382.80)	(236.52)			-		(86.08)	(37.12)
b. Receivables		-		-	74.17			-		-	-

c)

		Fellow Subsidiaries									
		Federal Mogul Bearings India Limited (India)		Federal Mogul Ignition Products India Limited (India)		Tenneco Clean Air India Pvt Ltd (India)		Federal Mogul Powertrain Solutions India Private Ltd (India)		Motocare India Private Limited (India)	
		1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	
<b>Trasnactions during the year</b>											
a. Sale of products#		-	-	-	-	-	-	-	-	6,589.01	
b. Purchase of raw material and components#		-	-	-	-	-	-	-	-	6.68	
c. Reimbursement of expenses incurred on behalf of Group		-	20.93	69.71	-	27.20	103.24	-	7.80	-	
d. Amount recoverable by the Group in respect of expenditure incurred by the Group		7.12	7.12	-	-	-	18.22	53.57	119.94	-	
e. Management support income		-	-	-	-	24.00	27.83	-	-	-	
f. Selling administration & distribution expenses		-	-	-	-	-	-	-	-	238.71	
<b>Balance outstanding at the end of year</b>											
a. (Payables)		-	-	(82.31)	(0.05)	(23.05)	-	(0.84)	(612.31)	(127.19)	
b. Receivables		5.34	49.87	11.59	11.59	49.56	21.24	9.19	610.03	1,383.59	
										891.03	

	Fellow Subsidiaries									
	Federal Mogul Sealing India Limited (India)		Federal Mogul Corporation - Southbend (USA)		Federal-Mogul UK Investment Limited (UK)		Other fellow subsidiaries		Grand Total	
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
<b>Trasnactions during the year</b>										
a. Sale of products#	-	-	-	164.74	-	-	12.55	35.08	12,270.37	18,342.31
b. Purchase of raw material and components#	-	-	1.42	49.84	-	-	2.98	25.71	1,995.60	2,165.54
c. Purchase of property, plant and equipment	-	-	-	605.96	-	-	-	-	2,843.73	1,992.71
d. Reimbursement of expenses incurred on behalf of Group	-	-	-	-	-	-	-	-	96.92	131.97
e. Amount recoverable by the Company in respect of expenditure incurred by the Company	-	27.10	-	-	-	-	10.90	-	227.64	291.88
f. Share-based payment (refer note 47)	-	-	-	-	-	-	-	-	336.99	-
g. Selling administration & distribution expenses	2.42	1.23	-	-	-	-	-	-	241.13	195.95
h. Inter-corporate deposit (ICD) Given	100.00	3,300.00	-	-	-	-	-	-	100.00	3,300.00
i. Inter-corporate deposit (ICD) received back	3,400.00	-	-	-	-	-	-	-	3,400.00	-
j. Liability written back	-	-	-	-	-	-	16.47	-	16.47	-
k. Interest income on ICD	268.66	102.05	-	-	-	-	-	-	268.66	102.05
l. Management Support charges (also refer note 45)	-	-	-	-	-	-	-	-	3,414.99	3,241.28
m. Management support income	-	-	-	-	-	-	-	-	24.00	27.83
n. Royalty Expense	-	-	-	-	-	-	-	-	3,030.66	2,345.00
o. Trade Mark & license fees	-	-	-	-	-	-	-	-	188.22	160.55
p. Software license fees	-	-	-	-	-	-	-	-	0.86	-
q. Dividend paid	-	-	-	-	56.25	52.20	-	-	56.25	52.20
<b>Balance outstanding at the end of year</b>										
a. (Payables)	-	-	(47.24)	(602.57)	-	-	(1.35)	(18.28)	(4,115.81)	(2,665.83)
b. Receivables	1.76	28.85	116.64	122.38	-	-	33.89	22.80	3,583.90	7,592.14
c. Loan (ICD) receivable	-	3,300.00	-	-	-	-	-	-	-	3,300.00
d. Other receivable-interest accrued on ICD	-	22.07	-	-	-	-	-	-	-	22.07

	Entity having significant influence over the subsidiary company										Related party of intermediate holding Company			Grand Total	
	TPR Co., Limited (Japan)		PT TPR Indonesia		TPR (Tianjin), Limited		TPR Autoparts Mfg. India Private Limited		Anqing TP Goetze Piston Ring Co. Limited			1 April 2022 to 31 March 2023		1 April 2021 to 31 March 2022	
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023
<b>Transactions during the year</b>															
a. Sale of products#	-		(1.56)	90.76	-	-	-	-	-	-	-	-	(1.56)	-	90.76
b. Purchase of raw material and components#	72.48	4.33	281.04	68.49	-	5.71	-	-	-	-	-	-	353.53	-	78.53
c. Purchase of property, plant and equipment	18.53	84.20	-	-	-	-	-	-	-	-	-	-	18.53	-	84.20
d. Dividend paid	250.00	232.00	-	-	-	-	-	-	-	-	-	-	250.00	-	232.00
e. Royalty Expense	146.02	132.94	-	-	-	-	-	-	-	-	-	-	146.02	-	132.94
f. Commission-paid	-	-	-	-	-	-	29.98	18.78	-	-	-	-	29.98	-	18.78
<b>Balance outstanding at the end of year</b>															
a. (Payables)	(72.32)	(30.68)	(142.33)	(2.42)	-	-	(8.22)	(5.06)	-	-	-	-	(222.87)	-	(38.17)
b. Receivables	0.33	0.33	-	1.68	-	-	-	-	-	-	12.15	12.15	12.48	12.15	14.15

d) Key Managerial Personnel\* Rs. in lacs

Particulars	Mr Vinod Kumar Hans		Mr Manish Chadha		Mr Khalid Iqbal Khan		Mr Rajesh Sinha	
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
Remuneration*	540.90	276.32	152.65	101.52	148.47	106.48	137.16	115.12
payable	62.58	-	20.50	-	21.30	-	23.58	-
							<b>Total</b>	
							1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
							979.18	599.44
							127.96	-

Non-executive directors\*

Particulars	Mr Krishnamurthy Naga Subramaniam		Sundareshan Kanakku Chembakaraman Pillai		Nalini Jolly		Total	
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
Director's sitting fee	14.90	14.95	9.80	11.00	12.20	8.80	36.90	34.75

# All Sales and Purchases above are inclusive of GST (wherever applicable). Sales are net of Sales returns

\*Key Managerial Personnel who are under the employment of the Group 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.

^ comprises of short-term employee benefit ₹ 647.38 lacs (previous year ₹ 507.91 lacs), post-employment benefit ₹ 32.48 lacs (previous year ₹ 29.34 lacs) and perquisite value of share-based payment (referred to in note 47) ₹ 302.18 lacs (previous year ₹ 62.19 lacs)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 40. Leases

#### Assets taken on lease

#### (i) Right-of-use

Following are the changes in the carrying value of right-of-use for the year ended 31 March 2023

	Category of Right-of-use assets			
	Leasehold land	Buildings	Office Equipment	Total
<b>Gross carrying value</b>				
<b>As at 1 April 2021</b>	<b>362.87</b>	<b>1,327.56</b>	<b>8.39</b>	<b>1,698.82</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at 31 March 2022</b>	<b>362.87</b>	<b>1,327.56</b>	<b>8.39</b>	<b>1,698.82</b>
Additions	-	-	-	-
Disposals	-	(363.52)	(8.39)	(371.91)
<b>As at 31 March 2023</b>	<b>362.87</b>	<b>964.04</b>	<b>-</b>	<b>1,326.91</b>
<b>Accumulated depreciation</b>				
<b>As at 1 April 2021</b>	<b>21.40</b>	<b>387.22</b>	<b>5.17</b>	<b>413.79</b>
Depreciation charge for the year	4.28	119.98	2.58	126.84
Disposals	-	-	-	-
<b>As at 31 March 2022</b>	<b>25.68</b>	<b>507.20</b>	<b>7.75</b>	<b>540.63</b>
Depreciation charge for the year	4.28	111.76	0.64	116.68
Disposals	-	(363.52)	(8.39)	(371.91)
<b>As at 31 March 2023</b>	<b>29.96</b>	<b>255.44</b>	<b>-</b>	<b>285.40</b>
<b>Net carrying value</b>				
<b>As at 31 March 2022</b>	<b>337.19</b>	<b>820.36</b>	<b>0.64</b>	<b>1,158.19</b>
<b>As at 31 March 2023</b>	<b>332.91</b>	<b>708.60</b>	<b>-</b>	<b>1,041.51</b>

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortization expense in the Consolidated Statement of Profit and loss (refer note 28).

#### The following is the break-up of current and non-current lease liabilities:

	As at 31 March 2023	As at 31 March 2022
Non-current lease liabilities	761.14	830.50
Current lease liabilities	69.35	62.47
	<b>830.49</b>	<b>892.97</b>

#### The following is the movement in lease liabilities:

	As at 31 March 2023	As at 31 March 2022
Opening balance	892.97	961.23
Additions	-	-
Interest on lease liabilities	69.04	74.41
Deletions	-	-
Payment of lease liabilities	(131.52)	(142.67)
<b>Closing balance</b>	<b>830.49</b>	<b>892.97</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

	As at 31 March 2023	As at 31 March 2022
Less than one year	133.69	131.52
One to five years	662.95	615.53
More than five years	290.28	471.39

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:

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation expense of right-of-use assets	<b>116.68</b>	126.84
Interest expense on lease liabilities	<b>69.04</b>	74.41
Rent expense relating to short-term leases (included in other expenses)	<b>81.04</b>	69.65
	<b>266.76</b>	<b>270.90</b>

### (ii) Lease related disclosures

(a) The Group has leases for land, 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 Group classifies its right-of-use assets in a consistent manner to its Land, buildings and Office equipment.

(b) Total cash outflow for leases (including short term and low value leases) for the year ended 31 March 2023 was ₹ 212.56 lacs (31 March 2022 ₹ 212.32 lacs).

(c) The Group 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 group.

(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	72-73 Years	72 Years	1	-	1
Buildings	1	80 months	80 months	1	-	1

(e) There are no leases which are yet to commence as on 31 March 2023.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 41. Employee benefit obligations

#### (a) Defined contribution plan

The Company has recognised the following amount in the Consolidated Statement of Profit and Loss::

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Employers' contribution to:</b>		
Provident fund	1,461.23	1,406.10
Employee's State Insurance contribution (ESIC) fund	84.59	54.55
National Pension Scheme (NPS)	57.28	59.05

#### (b) Defined benefits plans

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of services, gets a gratuity on departure at 15 days basic salary (last drawn) for each completed year of service 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 Consolidated Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the plan.

The plan typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### Disclosure of gratuity

##### (i) Amount recognised in the Consolidated Statement of Profit and Loss is as under:

	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	568.93	581.53
Interest cost	730.37	686.69
Expected Return on plan assets	(603.72)	(517.07)
<b>Amount recognised in the Consolidated Statement of Profit and Loss</b>	<b>695.58</b>	<b>751.15</b>

##### (ii) Remeasurement loss/(gain) recognised in other comprehensive income

	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial (gain) on obligations arising from changes in demographic adjustments	(22.72)	-
Actuarial loss/(gain) on obligations arising from changes in experience adjustments	337.35	(193.35)
Actuarial (gain)/loss on obligations arising from changes in financial assumptions	(265.62)	49.56
<b>Remeasurements of the post employment defined benefit plans loss/(gain)</b>	<b>49.01</b>	<b>(143.79)</b>
Return on plan assets	121.04	(1.95)
<b>Remeasurements of the post employment defined benefit plans loss / (gain) recognised in OCI</b>	<b>170.05</b>	<b>(145.75)</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### (iii) Movement in the liability recognised in the Consolidated Balance Sheet is as under:

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Present value of defined benefit obligation as at the beginning of the year</b>	<b>10,584.57</b>	10,388.96
Current service cost	<b>568.93</b>	581.53
Interest cost	<b>730.37</b>	686.69
Remeasurements of the post employment defined benefit plans loss/(gain)	<b>49.01</b>	(143.79)
Benefits paid directly by the Group	<b>(0.97)</b>	(0.78)
Benefits paid from the fund	<b>(1,105.37)</b>	(928.04)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>10,826.54</b>	<b>10,584.57</b>

### (iv) Movement in the plan assets recognised in the Consolidated Balance Sheet is as under:

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Fair value of plan assets at beginning of year</b>	<b>8,624.56</b>	7,717.58
Expected return on plan assets	<b>603.72</b>	517.08
Contributions by employer	<b>1,087.88</b>	1,315.99
Benefits paid	<b>(1,105.37)</b>	(928.04)
Remeasurements of the post employment defined benefit plans (loss)/gain	<b>(121.04)</b>	1.95
<b>Fair Value of plan assets at the end of the year</b>	<b>9,089.75</b>	<b>8,624.56</b>

	Year ended 31 March 2023	Year ended 31 March 2022
Defined benefit obligation	<b>10,826.54</b>	10,584.57
Fair valuation of plan assets	<b>9,089.75</b>	8,624.56
	<b>1,736.79</b>	<b>1,736.79</b>

### (v) Risk exposure

#### i) Changes in discount rate

A decrease in discount yield will increase plan liabilities.

#### ii) Mortality table

The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in plan liabilities.

#### iii) Salary increase

Actual salary increase will increase the plan's liabilities. Increase in salary rate assumption in future valuation will also increase the valuation.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### (vi) Plan assets

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

	Year ended 31 March 2023	Year ended 31 March 2022
Insurance company products	97.33%	95.72%
Equity shares	0.00%	0.00%
Bonds (including accrued interest)	0.00%	0.00%
Investment funds	2.19%	2.62%
Cash	0.48%	1.66%

### (vii) Actuarial assumptions

	Year ended 31 March 2023	Year ended 31 March 2022
Method used	Projected Unit Credit	Projected Unit Credit
Discount rate	7.40% p.a.	7.00% p.a.
Normal retirement age*	60 years	60 years
Employee turnover#	1% - 6%p.a.	1% - 4.3%p.a.
Expected rate of return on plan assets	7.40% p.a.	7.00% p.a.
Salary increase rate#	3% - 9%p.a.	3% - 9%p.a.
Mortality rate	Indian Assured Lives Mortality (IALM) (2006-08) (modified)	Indian Assured Lives Mortality (IALM) 2006-08) (modified)

\* For Patiala unit workers joined before 2005 and Bengaluru unit workers its 60 years 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.

### (viii) A quantitative sensitivity analysis for significant actuarial assumptions is given as:

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Impact of the change in discount rate on liability- increase/(decrease)</b>		
- Impact due to increase of 0.50 %	(327.54)	(363.47)
- Impact due to decrease of 0.50 %	314.60	352.95
<b>Impact of the change in discount rate on liability- increase/(decrease)</b>		
- Impact due to increase of 0.50 %	273.52	306.33
- Impact due to decrease of 0.50 %	(296.51)	(327.96)

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:

	As at 31 March 2023
Year 1	332.12
Year 2	1,375.65
Year 3	1,532.76
Year 4	1,668.95
Year 5	1,622.48
Next 5 years	8,351.49

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 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."

#### b Disaggregation of revenue

Revenue recognised mainly comprises of sale of products which majorly comprises of piston, piston rings and other automotive components. Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Revenue from contracts with customers</b>		
<b>Sale of products: Point of sale</b>		
Domestic	1,47,955.53	1,13,500.62
Export	11,810.37	18,437.63
<b>Other operating revenue</b>	3,647.97	2,323.72
<b>Total revenue covered under Ind AS 115</b>	<b>1,63,413.87</b>	<b>1,34,261.97</b>

#### c Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Contract liabilities</b>		
Advances from customers	421.88	258.91
Deposit from dealers	341.64	379.10
<b>Total contract liabilities</b>	<b>763.52</b>	<b>638.01</b>
<b>Receivables</b>		
Trade receivables	27,646.48	26,975.73
Less : Allowances for expected credit loss	(410.64)	(358.79)
<b>Net receivables</b>	<b>27,235.84</b>	<b>26,616.94</b>

Contract asset is the right to consideration in exchange for goods or services transferred to the customers. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customers 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 2023

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

### d Reconciliation of revenue recognised with contract price

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Revenue from contracts with customers</b>		
Sale of products (Gross)	1,61,532.17	1,34,345.41
Less: Discounts and rebates (refer note h below)	(1,766.27)	(2,407.16)
<b>Total revenue covered under Ind AS 115</b>	<b>1,59,765.90</b>	<b>1,31,938.25</b>

### e Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	As at 31 March 2023		As at 31 March 2022	
	Contract Liabilities		Contract Liabilities	
	Advances from customers	Deposits from dealers	Advances from customers	Deposits from dealers
<b>Opening balance</b>	258.91	379.10	239.00	393.67
Addition during the year	4,290.15	30.53	6,558.81	31.68
Revenue recognised/amount refunded/ adjusted during the year	(4,127.18)	(67.99)	(6,538.90)	(46.25)
<b>Closing balance</b>	<b>421.88</b>	<b>341.64</b>	<b>258.91</b>	<b>379.10</b>

### f 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."

### g Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 30-90 days (excluding transit period).

### h 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 2023**
*(All amounts in Rs. lacs, unless otherwise stated)*
**43. Disclosure under section 186(4) of the Companies Act, 2013**

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<b>Loans given*</b>		
Federal Mogul Sealing India Limited (Formerly known as Federal-Mogul Anand Sealing India Limited)		
At the beginning of the year	<b>3,300.00</b>	-
Given during the year	<b>100.00</b>	3,300.00
Received back during the year	<b>(3,400.00)</b>	-
<b>At the end of the year</b>	<b>-</b>	<b>3,300.00</b>

\*For the purpose of business of the fellow subsidiary.

In respect of investments made in earlier years, refer note 4.

**44. Provision for legal, tax and other regulatory matters**

The Group is involved in certain legal, tax (direct and indirect taxes) and certain regulatory matters, the outcome of which may not be favourable to the Group. The Group is actively seeking to resolve these actual and potential statutory, taxation and regulatory matters. Management is in consultation with the legal, tax and other advisers to assess the likelihood that a pending claim will succeed. The Group has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

Based on management assessment on likelihood, timing of cash outflows (current/non-current), interpretation of local laws, pending disposal of these matters and consultations obtained from the management experts, where considered necessary in respect of these matters, the management has recognised for provision for legal, tax and other regulatory matters amounting to ₹ 1,151.84 lacs as at 31 March 2023 (Previous year: ₹ 1,635.62 lacs) in accordance with Indian Accounting Standard (Ind AS) 37 on 'Provisions, Contingent liability and Contingent assets.

**45. Management support charges**

During the financial year 2022-23, the Group has paid the management support charges under cost allocation agreement with Federal Mogul Holding Deutschland GmbH amounting ₹ 3,414.99 lacs (previous year ₹3,241.28 lacs).

These charges are paid to availment of centralised services pertaining to all the products of Group and, inter-alia, include Technical Support, Operations Management, Applications Engineering, Global Executive Management Services, Purchasing, Key Accounts Sales Management.

**46.** As 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 consolidated 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 2023

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

**47.** During the earlier years, Tenneco Inc. (the Ultimate Holding Company till 16 November 2022 and intermediate holding company w.e.f. 17 November 2022) had granted certain share-settled restricted stock units (RSUs) to an eligible employee of the Group which vest on the grant date.

RSUs are time-based service awards and generally vest according to a three-year graded vesting schedule. One-third of the award will vest on the first anniversary of the grant date, one-third of the award will vest on the second anniversary, and one-third of the award will vest on the third anniversary.

During the year, all the common stock of Tenneco Inc. got delisted from New York Stock Exchange effective 17 November 2022 and each of the Tenneco's outstanding awards of RSUs which were subject solely to service-based vesting conditions at such date have become fully vested and stood cancelled in exchange for the right to receive an equivalent amount in cash (subject to tax deducted at source). All the outstanding RSUs at such effective date have been settled in cash by Tenneco Inc. at price of USD 20 per RSUs. In terms of understanding reached, the Group has paid ₹ 302.18 lacs to the eligible employee of the Group and recovered the same from group company (Refer note 39).

Further, the Group has recognized share-based payment amounting ₹ 419.52 lacs (including amount of ₹ 252.85 lacs pertaining to period prior to 31 March 2022 determined by management on the basis of graded vesting schedule) as an expense under employee benefit expense (refer note 26) with a corresponding credit to Other equity as Deemed capital contribution (refer note 13).

### 48. Corporate social responsibility (CSR)

a) Gross amount required to be spent by the Group during the year in compliance with section 135 of the Act is ₹ 101.40 lacs (previous year: ₹ 145.37 lacs)

b) Amount spent during the year on-

	Year ended 31 March 2023			Year ended 31 March 2022		
	In cash	Yet to be paid in cash #	Total	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	110.21	-	110.21
(ii) On purposes other than (i) above#	<b>54.77</b>	<b>28.09</b>	<b>82.86</b>	43.00	-	43.00
	<b>54.77</b>	<b>28.09</b>	<b>82.86</b>	<b>153.21</b>	-	<b>153.21</b>

c) Above expenses does not include contribution to any related party of the Group.

d) The Group does not carry any provisions for corporate social responsibility expenses for current year and previous year.

### e) Details of (excess)/short amount spent:

	Opening balance	Amount required to be spent during the year	Amount spent during the year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Closing balance
				Name of the fund	Amount	Date of Transfer	
<b>As at 31 March 2023</b>	<b>(7.78)</b>	<b>101.40</b>	<b>54.77</b>	<b>PM Cares Fund</b>	<b>10.76</b>	<b>12-May-23</b>	<b>28.09</b>
As at 31 March 2022	-	145.37	153.21	NA	NA	NA	(7.78)



## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### f) Details of ongoing/other than ongoing projects:

	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
	With Company	In Separate CSR Unspent A/c		From Company's bank account	From Separate CSR Unspent A/c	With Company*	In Separate CSR Unspent A/c
<b>As at 31 March 2023</b>	<b>(7.78)</b>	-	<b>101.40</b>	<b>54.77</b>	-	<b>10.76</b>	<b>28.09</b>
As at 31 March 2022	-	-	145.37	153.21	-	(7.78)	-

\*The Group subsequent to the year end transferred the unspent CSR amount of ₹ 10.76 lacs to PM CARES FUND.

# The Group subsequent to the year end transferred the unspent CSR amount of ₹ 28.09 lacs to a separate CSR unspent account.

- g) The Group's Corporate social responsibility activities involve promotion of education, environment protection, protection of wild life and preventive healthcare.

### h) Amount of shortfall

	Year ended 31 March 2023	Year ended 31 March 2022
(i) The amount of shortfall at the end of the year out of amount required to be spent by the Group during the year,	38.85	-
(ii) total of previous years shortfall,	-	-
(iii) reason for shortfall,	The CSR amount was decided to be spent on "on-going projects" in the field of education over a period of time in line with the MOUs signed with the CSR partner.	

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 49. Disclosure of additional information pertaining to the parent company and subsidiary company per Schedule III of Companies Act, 2013 :

#### 2022-23

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in profit and loss		Other comprehensive income (OCI)		Total comprehensive income (TCI)	
	As % of Consolidated net assets	Net assets	As % of Consolidated profit & loss	Profit	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
<b>Parent Company</b> Federal-Mogul Goetze (India) Limited	88.04	92,553.15	87.63	9,409.50	99.28	(126.33)	87.49	9,283.17
<b>Indian Subsidiary</b> Federal-Mogul TPR (India) Limited	11.96	12,569.78	12.37	1,328.76	0.72	(0.92)	12.51	1,327.84

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31 March 2023

#### 2021-22

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in profit and loss		Other comprehensive income (OCI)		Total comprehensive income (TCI)	
	As % of Consolidated net assets	Net assets	As % of Consolidated profit & loss	Profit	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
<b>Parent Company</b> Federal-Mogul Goetze (India) Limited	85.27	80,489.09	83.42	4,906.58	96.17	104.90	83.65	5,011.48
<b>Indian Subsidiary</b> Federal-Mogul TPR (India) Limited	14.73	13,909.56	16.58	975.49	3.83	4.17	16.35	979.66

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31 March 2022

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### 50. The table below shows details of non-wholly owned subsidiaries of the Group that have material Non Controlling interest ("NCI").

Name of the entity	Place of Incorporation and Place of Operation	Percentage of ownership interests and voting rights held by NCI	
		Year ended 31 March 2023	Year ended 31 March 2022
Federal-Mogul TPR (India) Limited	India	49%	49%

### Non-controlling interest ("NCI")

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	6,815.68	6,619.84
Share of profit for the year	651.09	477.99
Share of other comprehensive loss/(income)for the year	0.45	(2.05)
Dividend paid during the year (including tax for previous year)	(306.25)	(284.20)
<b>Balance at the end of the year</b>	<b>7,160.06</b>	<b>6,815.68</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	
	As at 31 March 2023	As at 31 March 2022
Current assets	10,414.58	9,567.99
Non-current assets	6,275.54	6,305.62
Current liabilities	1,491.94	1,296.79
Non-current liabilities	585.78	667.26
<b>Net assets</b>	<b>14,612.40</b>	<b>13,909.56</b>
Equity attributable to the owner of the Company	7,452.34	7,093.88
Accumulated to NCI	7,160.06	6,815.68

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

### b) Summary of Statement of Profit and Loss

	<b>Federal-Mogul TPR (India) Limited</b>	
	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Total Income	<b>11,032.33</b>	10,454.46
Expense	<b>9,703.57</b>	9,478.97
Profit for the year	<b>1,328.76</b>	975.49
Total comprehensive income	<b>1,327.84</b>	979.66
Profit (loss) attributable to owners of the Company	<b>677.67</b>	497.50
Profit (loss) attributable to the NCI	<b>651.09</b>	477.99
<b>Profit for the year</b>	<b>1,328.76</b>	<b>975.49</b>
Other comprehensive loss/(income) attributable to owners of the Company	0.47	(2.13)
Other comprehensive loss/(income) attributable to the NCI	0.45	(2.05)
<b>Other comprehensive loss/(income) for the year</b>	<b>0.92</b>	<b>(4.17)</b>
Total comprehensive income attributable to owners of the Company	677.20	499.63
Total comprehensive income attributable to the NCI	650.64	480.03
<b>Total comprehensive income for the year</b>	<b>1,327.84</b>	<b>979.66</b>
Dividends paid to NCI	306.25	284.20

### c) Summary of cash flow statement

	<b>Federal-Mogul TPR (India) Limited</b>	
	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Net cash flow generated from operating activities	1,175.08	292.12
Net cash flows (used) in investing activities	(304.49)	(1,656.09)
Net cash flows (used) in financing activities	(724.08)	(681.96)
<b>Net cash inflow/ (outflow)</b>	<b>146.51</b>	<b>(2,045.93)</b>

**Notes to the Consolidated Financial Statements for the year ended 31 March 2023**

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

**51. Additional Disclosures**

- a) There are no proceedings initiated or pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- b) The Group has not revalued its Property, plant and equipment (including right-of-use assets) or Intangible assets or both during the year.
- c) The Group has been sanctioned working capital amounts from banks on the basis of security of Inventories, Cash and Cash Equivalents and Trade Receivables. The returns being filed by the Group with banks are in line with the books of account.
- d) The Group has not been declared wilful defaulter by any bank or financial institution or other lender during the year.
- e) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.
- f) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- g) As per the MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up on daily basis of such books of account and other relevant books and papers maintained in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create backup of accounts on servers physically located in India on a daily basis. The books of account along with other relevant records and papers of the Group are maintained in electronic mode on servers physically located out of India. These books of account are readily accessible in India at all times however the backup of such books of account is not maintained in India.
- h) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- i) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- j) The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- k) The Group has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- l) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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

52. The Consolidated Financial statements of the Group for the year ended 31 March 2022 (Comparative Financial Information), were audited by the Walker Chandiook & Co LLP, Chartered Accountants, the predecessor auditor. The report of predecessor auditor on these Comparative Financial Information dated 20 May 2022 expressed an unmodified opinion.

### 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 Financial Officer & Finance Director  
DIN : 07195652

**Dr. Khalid Iqbal Khan**

Whole Time Director- Legal & Company Secretary  
DIN : 05253556

Place: Gurugram  
Date: 22 May 2023









# FEDERAL-MOGUL GOETZE (INDIA) LIMITED

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