

**FEDERAL-MOGUL GOETZE (INDIA) LIMITED**  
 Regd. Office : 7870-7877, F 1, Roshanara Plaza Building, Roshanara Road  
 Delhi: 110007

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED SEPTEMBER 30, 2010**

(Rs. in lacs except per share data)

| Sr. No. | Description   | Quarter ended      | Quarter ended      | Nine months ended  | Nine months ended  | Year ended        |
|---------|---|--------------------|--------------------|--------------------|--------------------|-------------------|
|         |   | September 30, 2010 | September 30, 2009 | September 30, 2010 | September 30, 2009 | December 31, 2009 |
|         |   | (Unaudited)        | (Unaudited)        | (Unaudited)        | (Unaudited)        | (Audited)         |
| 1       | <b>Gross Sales</b>  | 24,353.08          | 21,841.21          | 69,726.62          | 58,466.95          | 80,201.20         |
|         | Less: Excise duty   | 1,855.03           | 1,399.32           | 5,188.59           | 3,880.74           | 5,175.75          |
|         | <b>Net Sales</b>  | 22,498.03          | 20,441.89          | 64,538.03          | 54,586.21          | 75,025.45         |
|         | Other Operating Income  | 1,064.01           | 729.56             | 2,613.88           | 2,082.59           | 3,066.47          |
|         | <b>Total</b>  | 23,562.04          | 21,171.45          | 67,151.91          | 56,668.80          | 78,091.92         |
| 2       | <b>Expenditure</b>  |                    |                    |                    |                    |                   |
| a.      | (Increase) / decrease in inventories  | (325.53)           | (572.15)           | (82.97)            | (236.18)           | 714.45            |
| b.      | Consumption of raw material   | 8,259.54           | 6,982.72           | 23,185.71          | 18,721.78          | 23,406.87         |
| c.      | Purchase of traded goods  | 818.33             | 603.65             | 2,099.82           | 1,593.14           | 2,000.58          |
| d.      | Consumption of stores and spares  | 2,293.18           | 1,827.72           | 6,534.50           | 5,416.81           | 8,126.50          |
| e.      | Staff cost  | 4,491.39           | 4,188.28           | 12,984.93          | 11,487.24          | 15,570.14         |
| f.      | Depreciation / amortisation   | 1,187.76           | 1,194.59           | 3,544.65           | 3,570.63           | 4,949.23          |
| g.      | Other expenditure   | 5,575.23           | 4,744.07           | 15,982.78          | 12,284.13          | 18,575.73         |
|         | <b>Total</b>  | 22,299.90          | 18,766.85          | 64,288.42          | 50,787.35          | 71,343.50         |
| 3       | <b>Profit from operations before other income, interest &amp; exceptional items (1-2)</b>     | 1,262.14           | 2,404.58           | 2,882.49           | 5,881.45           | 6,748.42          |
| 4       | Other Income  | 280.27             | 177.64             | 1,609.24           | 521.52             | 774.20            |
| 5       | <b>Profit before interest &amp; exceptional items (3+4)</b>                                   | 1,542.41           | 2,582.23           | 4,491.73           | 6,402.97           | 7,522.62          |
| 6       | Interest  | 299.14             | 374.31             | 869.56             | 1,379.23           | 2,031.32          |
| 7       | <b>Profit(+)/Loss (-) after interest but before exceptional items (5-6)</b>                   | 1,243.27           | 2,207.92           | 3,622.17           | 5,023.74           | 5,491.30          |
| 8       | Exceptional items   | -                  | -                  | -                  | -                  | -                 |
| 9       | <b>Profit /Loss (-) from ordinary activities before tax (7+8)</b>                             | 1,243.27           | 2,207.92           | 3,622.17           | 5,023.74           | 5,491.30          |
| 10      | Provision for tax   |                    |                    |                    |                    |                   |
|         | -Current tax (including MAT Payable)  | 225.72             | 512.51             | 616.57             | 724.12             | 880.00            |
|         | -Less: MAT Credit Entitlement   | (225.72)           | (724.12)           | (616.57)           | (724.12)           | (880.00)          |
|         | -Fringe benefit tax   | -                  | (24.00)            | -                  | 16.42              | 16.42             |
|         | -Deferred tax   | 133.90             | -                  | 504.78             | -                  | 445.13            |
|         | -Current tax for earlier years  | -                  | -                  | -                  | -                  | (3.68)            |
|         | <b>Total of Tax Expenses</b>  | 133.90             | (235.61)           | 504.78             | 16.42              | 457.87            |
| 11      | <b>Net Profit(+)/Loss (-) from ordinary activities after tax (9-10)</b>                       | 1,109.37           | 2,443.53           | 3,117.39           | 5,007.32           | 5,033.43          |
| 12      | Prior period item   | -                  | 75.64              | -                  | 72.58              | 423.82            |
| 13      | <b>Net Profit /Loss (-) from ordinary activities after tax and prior period items (11-12)</b> | 1,109.37           | 2,367.89           | 3,117.39           | 4,934.74           | 4,609.61          |
| 14      | Extra ordinary items  | -                  | -                  | -                  | -                  | -                 |
| 15      | <b>Net Profit(+)/Loss (-) for the period</b>  | 1,109.37           | 2,367.89           | 3,117.39           | 4,934.74           | 4,609.61          |
| 16      | Paid-up equity share capital<br>(Face value Rs. 10/- each)                                    | 5,563.21           | 5,563.21           | 5,563.21           | 5,563.21           | 5,563.21          |
| 17      | Reserve excluding revaluation reserve as per balance sheet of previous accounting year.       | -                  | -                  | -                  | -                  | 28,770.82         |
| 18      | <b>Earning per Share (EPS)</b>  |                    |                    |                    |                    |                   |
|         | Basic and diluted EPS (Rs.) before extraordinary items for the period                         | 1.99               | 4.26               | 5.60               | 8.87               | 8.29              |
|         | Basic and diluted EPS (Rs.) after extraordinary items for the period                          | 1.99               | 4.26               | 5.60               | 8.87               | 8.29              |
| 19      | Public shareholding   |                    |                    |                    |                    |                   |
|         | - Numbers of shares   | 13,916,676         | 13,916,676         | 13,916,676         | 13,916,676         | 13,916,676        |
|         | - Percentage of shareholding  | 25.02              | 25.02              | 25.02              | 25.02              | 25.02             |
| 20      | Promoters and Promoter group shareholding   |                    |                    |                    |                    |                   |
|         | a) Pledged/Encumbered   | Nil                | Nil                | Nil                | Nil                | Nil               |
|         | b) Non-Encumbered   |                    |                    |                    |                    |                   |
|         | - Number of Shares  | 41,715,454         | 41,715,454         | 41,715,454         | 41,715,454         | 41,715,454        |
|         | - Percentage of shares (as a % of total shareholding of promoter and promoter group)          | 100.00             | 100.00             | 100.00             | 100.00             | 100.00            |
|         | - Percentage of shares (as a % of total share capital of the company)                         | 74.98              | 74.98              | 74.98              | 74.88              | 74.88             |

**CERTIFIED TRUE COPY**

For Federal Mogul Goetze (India) Ltd.

**Khalid I. Khan**  
Company Secretary

For Federal-Mogul Goetze (India) Limited

**Jean de Montfaur**  
Managing Director & President

**Notes:**

- 1 The above financial results were reviewed by the Audit Committee in their meeting and thereafter have been approved by the Board of Directors in their meeting held on November 12th, 2010.
- 2 The Limited Review as required under clause 41 of Listing Agreement has been completed by statutory auditor for the quarter ended September 30, 2010.
- 3 (a) The statutory auditors have reported in the auditor's report for the year ended December 31, 2009 that remuneration being paid to Whole Time Directors was in excess of the limits prescribed under the Companies Act 1956, by Rs. 540.12 lacs. The company has continued to pay the remuneration during the period as per the agreement to the directors, correspondingly remuneration of Rs. 18.06 lacs (Rs. 69.19 lacs for year to date) for the quarter ended September 30, 2010, included in staff cost is in excess of permissible remuneration under the Companies Act, 1956, which has been reported by the auditors in their review report for the quarter ended September 30, 2010.  
(b) The company had paid remuneration of Rs. 119.85 lacs for the period April 1, 2006 to December 31, 2006 to the erstwhile managing director of the Company which was in excess of permissible remuneration under Schedule XIII of the Companies Act, 1956. The company had applied to the Central Government for the approval of such excess remuneration, however the same has been rejected by the Central Government vide letter dated, May 26, 2009. The Company has filed an application under Section 309 (5B) of the Companies Act to waive the recovery of the aforesaid amount from the erstwhile managing director. Further, there is another application for excess remuneration of Rs. 84.15 lacs for the period January 1, 2007 to September 24, 2007 applied to the Central Government for its approval under Section 309 (3) of the Companies Act, 1956. The erstwhile managing director has confirmed that he will refund this amount, to the extent of this being not approved by the Central Government.
- 4 Segment Reporting: As the Company's business activities fall within a single primary business segment viz, auto components for two wheeler and four wheeler automotive industry, the separate disclosure requirement of Accounting Standard (AS-17) 'Segment Reporting' issued by the Institute of Chartered Accountants of India is not applicable.
- 5 During the year ended December 31, 2008, the Company had issued 23,011,192 shares @ Rs. 10 each at a premium of Rs. 48 per share on right issue basis for cash. Pursuant to right issue offer, the Company received Rs. 12,888.27 Lacs out of which, the proceeds of the rights issue aggregating to Rs. 11,737.50 Lacs have been utilized as per objects of the Issued mentioned in the Letter of Offer (LOO).  
In the Annual General Meeting held on 25th June 2010, the shareholders of the Company have approved, under Section 61 of the Companies Act, 1956, utilization of the balance unspent amount of Rs. 1,148.77 Lacs, as detailed below:  
a) Rs. 1138.42 Lacs for the purchase of machineries other than those specified in the LOO under the category "Payment to Suppliers for the purchase of machineries (including interest)"; and  
b) Rs. 10.35 Lacs interest to the object category of "General Corporate Purposes" from the "Issue Expenses" category.

Pursuant to the approval of the shareholders, the details of utilization of rights issue proceeds are as follows:

| Particulars   | Amount as per Letter of offer November 5, 2008 | Amount as approved by the shareholders in the Annual General Meeting held on 25th June 2010 | Amount utilised till September 30, 2010 |
|---|--|---|---|
|   | (Rs in Lacs)                                   | (Rs in Lacs)  | (Rs in Lacs)                            |
| Repayment of existing debt on their respective due dates              | 3,040.67                                       | 3,040.67  | 3,040.67                                |
| Payment to suppliers for purchase of machineries (including interest) | 9,296.61                                       | 9,296.61  | 8,481.18                                |
| General corporate purposes  | 431.30   | 441.65  | 431.30                                  |
| Issue expenses  | 117.69   | 107.34  | 107.34                                  |
| <b>Total</b>  | <b>12,886.27</b>                               | <b>12,886.27</b>  | <b>12,070.49</b>                        |

The unutilised amount aggregating to Rs. 815.78 lacs have been temporarily used for improving the working capital requirement of the Company.

- 6 During the quarter, the Company continues to recognise the asset for MAT paid / payable for the current quarter and previous quarter based on continuous taxable profits in the current financial period and management projection that the Company will be able to utilise its brought forward losses and unabsorbed depreciation against the taxable income in future and will also be able to utilise the MAT credit against future tax liability.
- 7 The Company has identified some licenses obtained under Export Promotion Capital Goods scheme, which have expired and against which the Company has partially fulfilled the export obligation (levied in lieu of permission to import fixed assets at a concessional rate of import duty). In view of partial shortfall in fulfilling export obligation, the management has decided, on prudent basis, to make a provision aggregating to Rs. 87.14 lacs during the quarter (Rs 957.40 lacs as at September 30, 2010) in these financial statements which in view of the management is adequate to cover any liability on this account at all its facilities.
- 8 The Company had commenced a voluntary evaluation process for various regulatory matters at its factories and as a consequence of such evaluation made a provision of Rs. 115 lacs during the quarter (total provision net of utilization as on September 30, 2010 is Rs. 367.73 lacs)
- 9 Detail of number of investor complaints for the quarter ended September 30, 2010 : Beginning 0, Received 0, Disposed off 0, Pending 0.
- 10 Previous period figures have been regrouped / recasted, wherever necessary.

For and on behalf of Board

(Jean de Montisur)  
Managing Director and President

Place : Gurgaon

Date : November 12, 2010

**CERTIFIED TRUE COPY**

For Federal Mogul Goetze (India) Ltd.

Khalid I. Khan  
Company Secretary