

Limited Review Report

Review Report to
The Board of Directors
Federal-Mogul Goetze (India) Limited

We have reviewed the accompanying statement of unaudited financial results of Federal-Mogul Goetze (India) Limited ('the Company') for the quarter ended June 30, 2010, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Without qualifying our opinion, we draw your attention to the note no. 4 of financial results stating that

- (a) remuneration of Rs. 13.15 lakhs for the quarter ended June 30, 2010, being paid to the managing director which is 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. The management has confirmed from the managing director that he will refund this amount, to the extent of this being not approved by the Central government.
- (b) remuneration of Rs. 119.85 lakhs for the period April 1, 2006 to December 31, 2006 to the erstwhile managing director of the Company 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, 1956 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 lakhs 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 management has confirmed from the erstwhile managing director that he will refund these amounts to the extent of these being not approved by the Central Government.

Pending the above, no adjustments have been made to the accompanying financial results in this regard.

CERTIFIED TRUE COPY

For Federal Mogul Goetze (India) Ltd.


Khalid I. Khan
Company Secretary

S.R. BATLIBOI & CO.
Chartered Accountants

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

CERTIFIED TRUE COPY

S.R. Batliboi & Co.

For S.R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

Pankaj Chadha

per Pankaj Chadha
Partner
Membership No.: 91813

Place: Gurgaon
Date: 12/3/10

For Federal Mogul Goetze (India) Ltd.

Khalid I. Khan
Khalid I. Khan
Company Secretary

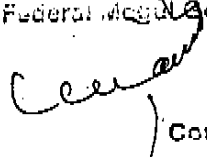
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2010

(Rs. in lacs except per share data)

Sr. No.	Description	Quarter ended June 30, 2010 (Unaudited)	Quarter ended June 30, 2009 (Unaudited)	Half year ended June 30, 2010 (Unaudited)	Half year ended June 30, 2009 (Unaudited)	Year ended December 31, 2009 (Audited)
1	Gross Sales	23,824.36	20,039.24	45,373.56	36,625.74	80,201.20
	Less: Excise duty	1,883.28	1,278.13	3,333.56	2,461.42	5,175.75
	Net Sales	21,941.08	18,761.11	42,040.00	34,144.32	75,025.45
	Other Operating Income	986.65	776.36	1,807.15	1,353.03	3,066.47
	Total	22,927.73	19,537.97	43,847.15	35,497.35	78,091.92
2	Expenditure					
a.	(Increase) / decrease in inventories	615.56	(127.63)	262.56	335.97	714.45
b.	Consumption of raw material	7,669.10	6,121.75	14,926.17	9,739.06	23,406.27
c.	Purchase of traded goods	489.59	699.59	1,281.49	989.49	2,000.58
d.	Consumption of stores and spares	2,008.36	1,742.00	4,241.32	3,788.89	8,126.50
e.	Staff cost	4,532.34	3,796.11	8,633.86	7,267.92	15,370.14
f.	Depreciation / amortisation	1,187.75	1,199.18	2,356.89	2,376.04	4,949.23
g.	Other expenditure	5,298.28	4,022.45	10,407.55	7,520.06	16,575.73
	Total	21,880.98	17,453.45	42,109.84	32,017.43	71,343.50
3	Profit from operations before other income, interest & exceptional items (1-2)	1,126.75	2,084.52	1,737.31	3,479.92	6,748.42
4	Other income	411.18	295.83	1,212.01	343.38	774.20
5	Profit before interest & exceptional items (3+4)	1,537.93	2,380.35	2,949.32	3,823.30	7,522.62
6	Interest	298.38	456.60	570.42	1,004.92	2,031.32
7	Profit(+) / Loss (-) after interest but before exceptional items (5-6)	1,239.55	1,923.75	2,378.90	2,818.38	5,491.30
8	Exceptional items					
9	Profit / Loss (+) from ordinary activities before tax (7+8)	1,239.55	1,923.75	2,378.90	2,818.38	5,491.30
10	Provision for tax					
	- Current tax (including MAT Payable)	197.15	211.61	390.85	211.61	880.00
	- Less: MAT Credit Entitlement	(197.15)	-	(390.85)	-	(880.00)
	- Prilege benefit tax	-	24.00	-	40.42	16.42
	- Deferred tax	366.93	-	370.88	-	445.13
	- Tax for earlier years	-	-	-	-	(3.68)
	Total of Tax Expenses	366.93	235.61	370.88	252.03	457.87
11	Net Profit(+) / Loss (-) from ordinary activities after tax (9-10)	872.62	1,688.14	2,008.02	2,566.35	5,033.43
12	Prior period items					423.82
13	Net Profit / Loss (-) from ordinary activities after tax and prior period items (11-12)	872.62	1,688.14	2,008.02	2,566.35	4,609.61
14	Extra ordinary items					
15	Net Profit(+) / Loss (-) for the period	872.62	1,688.14	2,008.02	2,566.35	4,609.61
16	Paid-up equity share capital (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	Earnings per Share (EPS)					
	Basic and diluted EPS (Rs.) before extraordinary items for the period	1.57	3.03	3.61	4.61	8.29
	Basic and diluted EPS (Rs.) after extraordinary items for the period	1.57	3.03	3.61	4.61	8.29
19	Public shareholding					
	- Number 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 promoters 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	74.98	74.98

CERTIFIED TRUE COPY

For Federal Agency Geetze (India) Ltd.


Khalid I. Khan
Company Secretary

As per financial statements reviewed by the Audit Committee in their meeting and inter-alia have been approved by the Board of Directors in their meeting held August 12th 2010.

The Limited Review as required under clause 41 of Listing Agreement has been completed by statutory auditor for the quarter ended June 30, 2010. The Disclosure of balance sheet items as at June 30, 2010 is as under:

Sr. No.	Particulars	(Rs. In Lacs)		
		As at June 30, 2010 (Unaudited)	As at June 30, 2009* (Unaudited)	As at December 31, 2009 (audited)
SOURCES OF FUNDS				
SHAREHOLDER'S FUNDS				
(a) Capital	5,563.21	5,563.21	5,563.21	
(b) Reserves and surplus	30,778.84	26,717.76	28,770.82	
LOAN FUNDS	9,197.73	9,613.22	10,123.80	
DEFERRED TAX LIABILITIES (NET)	816.01	-	444.13	
TOTAL	46,355.79	41,894.19	44,902.96	
APPLICATION OF FUNDS				
FIXED ASSETS	37,920.02	39,293.13	38,348.16	
INVESTMENTS	2,092.34	2,092.34	2,092.34	
CURRENT ASSETS, LOANS & ADVANCES				
(a) Inventories	9,015.03	9,596.33	9,135.37	
(b) Sundry debtors	12,403.28	10,154.35	10,068.73	
(c) Cash and bank balances	415.07	121.87	207.72	
(d) Other current assets	569.41	459.25	461.90	
(e) Loans and advances	4,328.87	4,929.95	4,979.99	
Less: Current Liabilities and Provisions				
(a) Liabilities	18,125.73	22,518.53	18,072.15	
(b) Provisions	3,524.40	2,836.95	2,798.91	
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)				
	359.85	599.75	479.81	
TOTAL	46,355.79	41,894.19	44,902.96	

* Amounts pertaining to June 30, 2009 have not been audited or reviewed by the auditors.

- 4 (a) The statutory auditors have reported in the auditor's report for the year ended December 31, 2009 that remuneration being paid to directors was in excess of the limits prescribed under the Companies Act 1956, by Rs. 540.12 lacs. The Company has applied to the Central Government for the approval and is hopeful to receive the same. The Company has continued to pay the remuneration during the period as per the agreement to the directors, correspondingly remuneration of Rs. 13.15 lacs for the quarter ended June 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 June 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 (3B) 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.
- 5 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.
- 6 During the year ended December 31, 2008, the Company had issued 23,011,192 shares @ Rs. 10 each at a premium of Rs. 46 per share on right issue basis for cash. Pursuant to right issue offer, the Company received Rs. 12,886.27 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. 1136.42 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 in respect 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 dated November 5, 2008	Amount as approved by the shareholders in the Annual General Meeting held on 25th June 2010	Amount utilized till June 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	8,158.19
General corporate purposes	431.30	441.63	431.30
Issue expenses	117.69	107.34	107.34
Total	12,886.27	12,886.27	11,737.50

The unutilised amount aggregating to Rs. 1,148.77 lacs have been temporarily used for improving the working capital requirement of the Company.

- 7 During the quarter, the Company has recognised the asset for MAT paid / payable for the current quarter and previous quarters 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.
- 8 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 for the potential interest payable to the Government aggregating to Rs. 563.94 lacs (Rs. 532.20 lacs was provided in financial statement for the year ended December 31, 2009) in these financial statements and has also capitalized the duty portion to be paid for Rs. 380.06 lacs, during the year ended December 31, 2009, with the relevant fixed assets and has depreciated the same as if they were capitalized on the date of respective assets being put to use. This has resulted in Company charging the additional year to date depreciation and additional interest of Rs. 270.26 lacs (Rs. 222.76 lacs up to December 31, 2009) in profit and loss account.
- 9 Detail of number of investor complaints for the quarter ended June 30, 2010 : Beginning 0 , Received 1, Disposed off 1, Pending 0.
- 10 The Company commenced a voluntary evaluation process for various regulatory matters at its factories and as a consequence of such evaluation made a provision of Rs. 348.64 lacs in this quarter, which is included in other expenditure.
- 11 Previous period figures have been regrouped / restated, wherever necessary.

For and on behalf of Board

(Sanjiv Mehta)
Managing Director and President

Place : Gurgaon
Date : August 12, 2010



CERTIFIED TRUE COPY

For Federal Mogul Goetze (India) Ltd.

Khalid I. Khan
Company Secretary



Dt. : 13th August, 2010

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

Subject: Clause 41 - Limited Review Report for the Quarter ended 30th June 2010

Dear Sir(s),

The limited review of the unaudited financial results of the Company for the quarter ended 30th June 2010 has been completed by M/s. S. R. Batliboi & Co, Statutory Auditors of the Company.

Pursuant to Clause 41 of the Listing Agreement, please find enclosed herewith a copy of the limited review report for your kind information & record.

Regards.

Yours truly,

For Federal-Mogul Goetze (India) Limited

Khalid Khan
Khalid Khan
Company Secretary

Encl: As above

- CC: 1. National Securities Depository Limited
Trade Word, 4th Floor
Kamala Mills Compound
Senapati Bapat Marg
Lower Parel, Mumbai 400 013
2. Central Depository Services [India] Limited
Phiroze Jeejeebhoy Towers
28th Floor, Dalal Street
Mumbai 400 023

Federal-Mogul Goetze (India) Ltd.

Regd. Office : 7870-7877, F-1, Roshanara Plaza Building, Roshanara Road, Delhi - 110 007
Tel. : +91.11.23827435, Fax : +91.11.30489308

Corporate Office : Paras Twin Towers, 10th Floor, Tower B, Sector 54, Golf Course Road, Gurgaon - 122 002
Tel. : +91.124.4784530, Fax : +91.124.4292840



Limited Review Report

Review Report to
The Board of Directors
Federal-Mogul Goetze (India) Limited

We have reviewed the accompanying statement of unaudited financial results of Federal-Mogul Goetze (India) Limited ('the Company') for the quarter ended June 30, 2010, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Without qualifying our opinion, we draw your attention to the note no. 4 of financial results stating that

- (a) remuneration of Rs. 13.15 lakhs for the quarter ended June 30, 2010, being paid to the managing director which is 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. The management has confirmed from the managing director that he will refund this amount, to the extent of this being not approved by the Central government.
- (b) remuneration of Rs. 119.85 lakhs for the period April 1, 2006 to December 31, 2006 to the erstwhile managing director of the Company 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, 1956 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 lakhs 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 management has confirmed from the erstwhile managing director that he will refund these amounts to the extent of these being not approved by the Central Government.

Pending the above, no adjustments have been made to the accompanying financial results in this regard.

CERTIFIED TRUE COPY

For Federal Mogul Goetze (India) Ltd.

(Signature)
Khalid I. Khan
Company Secretary

S.R. BATLIBOI & Co.

Chartered Accountants

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

CERTIFIED TRUE COPY

S.R. Batliboi & Co.

For S.R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

Pankaj Chadha

per Pankaj Chadha
Partner
Membership No.: 91813

Place: Gurgaon
Date: 12/8/10

For Federal Mogul Goetze (India) Ltd.

Khalid I. Khan

Khalid I. Khan
Company Secretary



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2010

(Rs. in lacs except per share data)

Sr. No.	Description	Quarter ended	Quarter ended	Half year	Half year	Year ended
		June 30, 2010 (Unaudited)	June 30, 2009 (Unaudited)	ended June 30, 2010 (Unaudited)	ended June 30, 2009 (Unaudited)	December 31, 2009 (Audited)
1	Gross Sales	23,824.36	20,039.24	45,373.56	36,625.74	80,201.20
	Less: Excise duty	1,883.28	1,278.13	3,335.56	2,481.42	5,175.75
	Net Sales	21,941.08	18,761.11	42,040.00	34,144.32	75,025.45
	Other Operating Income	986.65	776.86	1,807.15	1,353.03	3,066.47
	Total	22,927.73	19,537.97	43,847.15	35,497.35	78,091.92
2	Expenditure					
a.	(Increase) / decrease in inventories	615.56	(127.63)	362.56	335.97	714.45
b.	Consumption of raw material	7,669.10	6,121.75	14,926.17	9,799.06	23,406.67
c.	Purchase of traded goods	489.59	699.39	1,281.49	989.49	2,000.38
d.	Consumption of stores and spares	3,008.36	1,742.00	4,241.32	3,788.89	8,126.50
e.	Staff cost	4,532.34	3,796.11	8,633.86	7,267.92	15,570.14
f.	Depreciation / amortisation	1,187.73	1,199.18	2,356.89	2,376.04	4,949.23
g.	Other expenditure	5,298.28	4,022.45	10,407.55	7,520.06	16,375.73
	Total	21,808.98	17,453.45	42,109.84	32,017.43	71,343.50
3	Profit from operations before other income, interest & exceptional items (1-2)	1,126.75	2,084.52	1,737.31	3,479.92	6,748.42
4	Other income	411.18	295.83	1,212.01	343.88	774.20
5	Profit before interest & exceptional items (3+4)	1,537.93	2,380.35	2,949.32	3,823.80	7,522.62
6	Interest	298.38	456.60	570.42	1,004.92	2,031.32
7	Profit(+)/Loss (-) after interest but before exceptional items (5-6)	1,239.55	1,923.75	2,378.90	2,818.88	5,491.30
8	Exceptional items					
9	Profit / Loss (-) from ordinary activities before tax (7+8)	1,239.55	1,923.75	2,378.90	2,818.88	5,491.30
10	Provision for tax					
	- Current tax (including MAT Payable)	197.15	211.61	390.85	211.61	880.00
	- Less: MAT Credit Entitlement	(197.15)	-	(390.85)	-	(880.00)
	- Pringe benefit tax	-	24.00	-	40.42	16.42
	- Deferred tax	366.93	-	370.88	-	445.13
	- Tax for earlier years	-	-	-	-	(3.68)
	Total of Tax Expenses	366.93	235.61	370.88	252.03	457.87
11	Net Profit(+)/Loss (-) from ordinary activities after tax (9-10)	872.62	1,688.14	2,008.02	2,566.85	5,033.43
12	Prior period item	-	-	-	-	423.82
13	Net Profit / Loss (-) from ordinary activities after tax and prior period items (11-12)	872.62	1,688.14	2,008.02	2,566.85	4,609.61
14	Extra ordinary items	-	-	-	-	-
15	Net Profit(+)/Loss (-) for the period	872.62	1,688.14	2,008.02	2,566.85	4,609.61
16	Paid-up equity share capital (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	Earning per Share (EPS)					
	Basic and diluted EPS (Rs.) before extraordinary items for the period	1.57	3.03	3.61	4.61	8.29
	Basic and diluted EPS (Rs.) after extraordinary items for the period	1.57	3.03	3.61	4.61	8.29
19	Public shareholding					
	- Number 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	74.98	74.98

CERTIFIED TRUE COPY

For Federal Megacrete (India) Ltd.

Khalid I. Khan
Khalid I. Khan
Company Secretary



The Limited Review as required under clause 41 of Listing Agreement has been completed by statutory auditor for the quarter ended June 30, 2010. The Disclosure of balance sheet items as at June 30, 2010 is as under:

Sr. No.	Particulars	(Rs. In Lacs)		
		As at June 30, 2010 (Unaudited)	As at June 30, 2009* (Unaudited)	As at December 31, 2009 (Audited)
SOURCES OF FUNDS				
SHAREHOLDER'S FUNDS				
	(a) Capital	5,563.21	5,563.21	5,563.21
	(b) Reserves and surplus	30,778.84	26,717.76	23,770.82
LOAN FUNDS				
	9,197.73	9,613.22	10,123.80	
DEFERRED TAX LIABILITIES (NET)				
	816.01		445.13	
TOTAL				
		46,355.79	41,894.19	44,902.96
APPLICATION OF FUNDS				
FIXED ASSETS				
	37,920.02	39,295.13	38,348.16	
INVESTMENTS				
	2,092.34	2,092.34	2,092.34	
CURRENT ASSETS, LOANS & ADVANCES				
	(a) Inventories	9,915.03	9,596.33	9,135.37
	(b) Sundry debtors	12,405.28	10,154.35	10,068.73
	(c) Cash and bank balances	415.07	121.87	207.72
	(d) Other current assets	569.41	459.25	461.90
	(e) Loans and advances	4,328.87	4,929.95	4,979.99
Less: Current Liabilities and Provisions				
	(a) Liabilities	18,125.73	22,518.33	18,072.15
	(b) Provisions	3,524.40	2,836.95	2,798.91
MISCELLANEOUS EXPENDITURE				
	359.85	599.73	479.81	
TOTAL				
		46,355.79	41,894.19	44,902.96

* Amounts pertaining to June 30, 2009 have not been audited or reviewed by the auditors.

- 4 (a) The statutory auditors have reported in the auditor's report for the year ended December 31, 2009 that remuneration being paid to directors was in excess of the limits prescribed under the Companies Act 1956, by Rs. 540.12 lacs. The Company has applied to the Central Government for the approval and is hopeful to receive the same. The Company has continued to pay the remuneration during the period as per the agreement to the directors, correspondingly remuneration of Rs. 13.15 lacs for the quarter ended June 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 June 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.
- 5 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.
- 6 During the year ended December 31, 2008, the Company had issued 23,011,192 shares @ Rs. 10 each at a premium of Rs. 46 per share on right issue basis for cash. Pursuant to right issue offer, the Company received Rs. 12,886.27 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. 1,138.42 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 inter-se 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 dated November 5, 2008	Amount as approved by the shareholders in the Annual General Meeting held on 25th June 2010	Amount utilized till June 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	8,158.19
General corporate purposes	451.30	441.65	431.30
Issue expenses	117.69	107.34	107.34
Total	12,886.27	12,886.27	11,737.50

The unutilised amount aggregating to Rs. 1,148.77 lacs have been temporarily used for improving the working capital requirement of the Company.

- 7 During the quarter, the Company has recognised the asset for MAT paid / payable for the current quarter and previous quarters 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.
- 8 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 for the potential interest payable to the Government aggregating to Rs. 563.94 lacs (Rs. 532.20 lacs was provided in financial statement for the year ended December 31, 2009) in these financial statements and has also capitalized the duty portion to be paid for Rs. 380.06 lacs, during the year ended December 31, 2009, with the relevant fixed assets and has depreciated the same as if these were capitalized on the date of respective assets being put to use. This has resulted in Company charging the additional year to date depreciation and additional interest of Rs. 870.26 lacs (Rs. 822.76 lacs up to December 31, 2009) in profit and loss account.
- 9 Detail of number of investor complaints for the quarter ended June 30, 2010 : Beginning 0, Received 1, Disposed off 1, Pending 0.
- 10 The Company commenced a voluntary evaluation process for various regulatory matters at its factories and as a consequence of such evaluation made a provision of Rs. 348.64 lacs in this quarter, which is included in other expenditure.
- 11 Previous period figures have been regrouped / recasted, wherever necessary.

Forward on behalf of Board

(Manoj de Montfau) Managing Director and President

CERTIFIED TRUE COPY

For Federal Mogul Goetze (India) Ltd.

Khafid I. Khan
Company Secretary



Place: Gurgaon
Date: August 12, 2010