

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Federal-Mogul Goetze (India) Limited

Report on the Financial Results

We have audited the accompanying financial results of **Federal-Mogul Goetze (India) Limited** ("the Company") for the year ended December 31, 2011, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, 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 audited by us. Attention is drawn to the fact that the figures for the quarter ended December 31, 2011 as reported in the accompanying financial results are the derived figures between the audited figures in respect of the current full financial year ended December 31, 2011 and the published year-to-date figures up to September 30, 2011, being the date of the end of the third quarter of the current financial year, as required under Clause 41(I)(d) of the Listing Agreement. Further, the figures up to the end of the third quarter of the current year and the corresponding quarter for the previous year have only been reviewed by us and have not been subjected to an audit.

Management's Responsibility for the Financial Results

These financial results have been prepared on the basis of the audited financial statements of the Company for the year ended December 31, 2011 and reviewed quarterly financial results up to September 30, 2011, being the date of the end of the third quarter of the current financial year. Management is responsible for the preparation of these financial results that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles set out in the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") and other accounting principles generally accepted in India, and in compliance with Clause 41 of the Listing Agreement. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

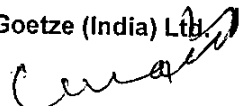
Auditor's Responsibility

Our responsibility is to express an opinion on these financial results based on our audit of the financial results for the year ended December 31, 2011. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



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For Federal Mogul Goetze (India) Ltd


Khalid I. Khan
Company Secretary

S.R. BATLIBOI & CO.

Chartered Accountants

Basis for Qualified Opinion

Refer Note no. 10 of accompanying financial results on the Company's investments in G. I. Power Corporation Limited ('GIPCL') of the value of Rs 1,070.92 lacs representing investment in equity shares of Rs.194.48 lacs and in preference shares of Rs. 876.44 lacs. During the year, Company's holding in GIPCL was reduced to 6.60% from earlier holding of 26.00%. The Company has been unable to produce audited financial information and, as represented to us, is also in discussion for sale of these investments at par, that are yet to be concluded. In view of these uncertainties and due to non-availability of audited financial information as at December 31, 2011, we are not in a position to assess as to whether provision, if any, needs to be made towards carrying value of these investments and consequential impact thereof.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the impact whereof is unascertainable*, the accompanying financial results:

- (a) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- (b) give a true and fair view of the net profit and other financial results for the year ended December 31, 2011.

Report on Other Legal and Regulatory Requirements

Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

S.R. Batliboi & Co.

For S.R. Batliboi & Co.

Chartered Accountants

Firm's Registration Number: 301003E

Pankaj Chadha

per Pankaj Chadha

Partner

Membership Number: 91813

Place: Gurgaon

Date: February 29, 2012



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For Federal Mogul Goetze (India) Ltd.

Khalid I. Khan
Khalid I. Khan
Company Secretary

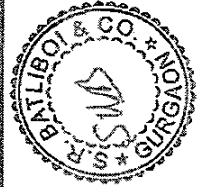
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2011

S.No	Description	(Rs. in lacs except per share data)					
		Quarter Ended December 31, 2011 (Audited) (Refer Note 15)	Quarter Ended September 30, 2011 (Unaudited)	Quarter Ended December 31, 2010 (Unaudited)	Year Ended December 31, 2011 (Audited)	Year Ended December 31, 2010 (Audited)	Year Ended December 31, 2010 (Audited)
1	Gross Sales	30,937.51	30,927.86	27,143.40	1,20,188.35	96,870.10	1,23,867.59
	Less: Excise duty	2,424.86	2,424.49	2,029.58	9,398.49	7,218.17	9,734.38
	Net Sales	28,512.65	28,403.37	25,113.90	1,10,789.86	89,651.93	1,14,133.21
	Other operating income	1,014.25	1,079.62	1,498.34	4,377.89	4,112.22	2,836.77
	Total	29,526.90	29,482.99	26,612.24	1,15,147.75	93,764.15	1,16,971.98
2	Expenditure						
	(Increase) / decrease in inventories	561.90	(383.35)	(556.30)	(2,441.14)	(619.27)	(2,530.07)
	a Consumption of raw material	8,858.47	10,906.16	9,340.51	42,819.00	32,526.22	38,651.37
	b Purchase of traded goods	886.23	985.37	682.59	3,656.35	2,782.41	3,656.35
	c Consumption of stores and spares	3,448.65	3,541.13	3,151.26	13,259.48	9,665.76	14,281.45
	d Employees costs	5,296.24	5,544.33	4,816.05	21,331.51	17,000.98	21,663.69
	e Depreciation / amortisation	1,502.30	1,330.90	1,277.81	5,365.89	4,822.46	5,688.73
	f Other expenditure	7,342.24	6,081.88	6,153.11	25,755.65	22,135.89	26,463.68
	g Total	27,896.03	28,016.42	24,865.03	1,09,746.74	89,134.45	1,07,875.20
3	Profit from operations before other income, interest & exceptional items (1-2)	1,630.87	1,466.57	1,747.21	5,401.01	4,629.70	9,096.78
4	Other income	665.93	260.42	(185.93)	1,766.01	1,423.31	197.53
5	Profit before interest & exceptional items (3+4)	2,296.80	1,726.99	1,561.28	7,167.02	6,053.01	9,294.31
6	Interest	1,036.15	522.54	377.36	2,485.66	1,246.92	2,304.24
7	Profit after interest but before exceptional items (5-6)	1,260.65	1,204.45	1,183.92	4,681.36	4,806.09	6,990.07
8	Exceptional items						
9	Profit from ordinary activities before tax (7+8)	1,260.65	1,204.45	1,183.92	4,681.36	4,806.09	6,990.07
10	Provision for tax - Current tax	710.92	289.99	189.26	1,626.89	805.83	2,800.90
	- Less: MAT Credit Entitlement	(109.92)	65.18	(189.26)	(392.87)	(805.83)	(392.87)
	- Deferred tax charge/ (credit)	(224.72)	174.12	625.61	(116.18)	1,130.39	(192.42)
	Total of Tax Expense	376.28	539.29	625.61	1,117.94	1,130.39	2,215.61
11	Net Profit from ordinary activities after tax (9-10)	884.37	665.16	558.31	3,563.32	3,675.70	4,774.46
12	Prior period expense/ (income) (net of tax)	24.20	20.91	236.78	(182.65)	236.78	(29.06)
13	Net Profit from ordinary activities after tax and prior period items (11-12)	860.17	644.25	321.53	3,746.17	3,438.92	4,803.52
14	Extra ordinary items						
15	Minority interest in profit / (loss)	-	-	-	-	-	(864.90)
16	Share of profit/ (loss) in associate company	-	-	-	-	-	35.39
17	Net Profit for the period	860.17	644.25	321.53	3,746.17	3,438.92	3,954.01

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For Federal Mogul Goetze (India) Ltd.

Khaliq I. Khyan
 Khaliq I. Khyan
 Company Secretary



S.No	Description	Consolidated			
		Quarter Ended December 31, 2011 (Audited)	Quarter Ended September 30, 2011 (Unaudited)	Quarter Ended December 31, 2010 (Unaudited)	Year Ended December 31, 2010 (Audited)
18	Paid-up equity share capital (Face value Rs. 10/- each)	5,563.21	5,563.21	5,563.21	5,563.21
19	Reserve excluding revaluation reserve as per balance sheet of previous accounting year.	-	-	-	33,630.40
20	Basic and diluted Earnings Per Share before extraordinary items for the period (Rs.) (not annualised for quarters)	1.54	1.16	0.58	7.13
21	Basic and diluted Earnings Per Share after extraordinary items for the period (Rs.) (not annualised for quarters)	1.54	1.16	0.58	7.13
22	Public shareholding	1,39,16,676	1,39,16,676	1,39,16,676	-
23	- Numbers of shares	25.02	25.02	25.02	-
	- Percentage of shareholding	Nil	Nil	Nil	Nil
	Promoters and Promoter group shareholding	4,17,15,454	4,17,15,454	4,17,15,454	4,17,15,454
	a) Pledged/Encumbered	100.00	100.00	100.00	100.00
	b) Non-Encumbered (in nos.)	74.98	74.98	74.98	74.98
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	-	-	-	-
	- Percentage of shares (as a % of total share capital of the company)	-	-	-	-

Notes:

- The above financial results were reviewed by the Audit Committee and thereafter have been approved by the Board of Directors in the meeting held on February 29, 2012
- The Audit as required under clause 41 of Listing Agreement has been completed by statutory auditor for the quarter and year ended December 31, 2011
- Statement of Assets and Liabilities:

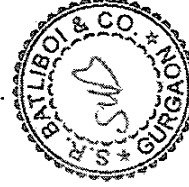
S.No.	Particular's	Consolidated			
		As at December 31, 2011 (Audited)	As at December 31, 2010 (Audited)	As at December 31, 2011 (Unaudited)	Year Ended December 31, 2010 (Audited)
A	SHAREHOLDER'S FUNDS:				
a	(e) Capital	5,563.21	5,563.21	5,563.21	5,563.21
b	(b) Reserves and surplus	35,955.90	32,209.74	37,088.72	33,630.40
B	MINORITY INTEREST				
C	LOAN FUNDS	15,384.40	8,648.74	4,310.70	3,425.80
D	DEFERRED TAX LIABILITIES (NET)	1,459.35	1,575.52	11,822.77	6,348.74
	TOTAL	58,362.86	47,997.21	60,282.60	1,699.69
D	FIXED ASSETS	46,346.74	39,043.60	48,078.49	40,649.93
E	INVESTMENTS	2,092.34	2,092.34	1,072.34	1,036.95
F	CURRENT ASSETS, LOANS & ADVANCES:				
a	Inventories	13,920.16	10,564.05	14,614.67	11,047.16
b	Sundry debtors	15,069.79	11,943.12	15,832.79	12,631.02
c	Cash and bank balances	282.93	282.67	1,187.03	818.36
d	Other current assets	821.33	603.25	821.33	603.25
e	Loans and advances	7,184.11	5,854.13	7,271.51	5,967.56
f	Less: Current Liabilities and Provisions				
	Liabilities	22,770.99	18,131.27	23,474.59	17,217.79
g	Provisions	4,563.56	4,594.59	5,110.89	5,108.51
	MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		239.91		239.91
G	TOTAL	58,362.86	47,997.21	60,282.60	50,667.84

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For Federal Mogul Goetze (India) Ltd.

Khaliq I. Khan

Khaliq I. Khan
Company Secretary



- 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 industry, the disclosure requirement of Accounting Standard (AS-17) 'Segment Reporting' is not applicable.
- 5 The Consolidated Financials Statements of the Company and its subsidiaries (collectively known as "the Group") are prepared in accordance with the requirements of the AS-21 "Consolidated Financial Statements" prescribed by Companies (Accounting Standards) Rules, 2006.
- 6 The other expenditure for the quarter includes a net gain of Rs. 354.40 Lacs on account of reversal of the Management Fees charged by the Holding Company for the year 2011 as the same has been discontinued. These charges were accounted for by the Company during January 2011 to September 2011. As the discontinuance of these charges have happened during the last quarter only, hence the quarter ended September 30, 2011 includes a charge of Rs. 131.83 Lacs.
- 7 The other expenditure for the quarter includes an expense of Rs. 498.52 Lacs on account of Management Fees charged by one of the fellow subsidiaries of the Company on account of certain services rendered to the Company. These charges have been initiated in period ended December 31, 2011 and the current charge of Rs. 498.52 lacs relates to the full year of 2011.
- 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. In view of partial shortfall in fulfilling export obligation, the management is carrying a provision aggregating to Rs. 214.89 lacs (Rs 932.32 lacs as at December 31, 2010) at December 31, 2011 which, in the opinion of the management, is adequate to cover any liability on this account.
- 9 During the year, the Company's shareholding in GI Power Corporation Limited (GIPCL) has reduced from 26.0% to 6.6% due to conversion of the preference shares held by other investors into equity shares. Accordingly the Company has discontinued Equity Method of Accounting for its investment in GIPCL in the consolidated results as required by AS-23 "Accounting for Investments in Associates" and accordingly for cumulative share of Company in the associate's losses of Rs. 34.59 Lacs have been reversed during the year. These have now been valued at Cost in accordance with the requirements of AS-13 "Accounting for Investments".
- 10 During the year, the Company has classified its Investments of Rs. 1,070.92 Lacs (Equity Shares: Rs. 194.48 Lacs and Preference Shares: Rs. 876.44 Lacs) in GIPCL from long term investment to short term investment. These investments have been carried at cost in the balance sheet. The Company is assessing various options for liquidating these investments as these are not related to the core business of the Company. Based on current assessment, the Company is confident that it would be able to recover the entire carrying value of these investments. The Statutory auditors in their audit report for the year ended December 31, 2011 on the stand-alone and consolidated financial statements, have reported their inability to comment on the recoverability of these investments and have qualified their opinion.
- 11 With regard to the Auditor's comments in their report on the few delays in depositing tax and other dues, the management is taking necessary remedial actions.
- 12 With regard to the Auditor's comments in their report on the utilisation of short term borrowings for long term purposes, the management is taking necessary remedial actions.
- 13 With regard to the Auditor's comments in their report on physical verification of certain inventories and records thereof, the management is taking necessary remedial actions.
- 14 Details of number of investor complaints for the quarter ended December 31, 2011 are : Beginning Nil, Received Nil, Disposed off Nil, Pending Nil.
- 15 The figure for the last quarter of current and the previous years are the balancing figures between audited figures in respect of the full financial years upto December 31, 2011 and 2010 and the unaudited published year-to-date figures for nine months upto September 30, 2011 and 2010 for respective years, being the date of the end of the third quarter of the financial year.
- 16 Previous period/ year figures have been regrouped / recasted, wherever necessary.

Place : Gurgaon
Date : February 29, 2012

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For Federal Mogul Goetze (India) Ltd.

Khalid I. Khan
Khalid I. Khan
Company Secretary



For and on behalf of Board of Directors

(Jean de Montfaur)
Managing Director and President

