

Dt.: 6<sup>th</sup> December 2017

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

2. Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, 5th Floor  
Plot No. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (East), Mumbai 400051

**Subject: Disclosure under regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Ma`m,

In terms of Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please be informed that the Audit Committee in its meeting held today approved payment of a charge of Euros 4.9 Million per annum against the current concessional charge of Euros 0.9 Million per annum to Federal Mogul Holding Deutschland GmbH. The proportionate charge for the quarter ended September 2017 is Euros 1.225 Million. These charges are for availment of centralized services inter-se between the group companies in terms of World Wide Cost Allocation Agreement ("CAA") and, inter-alia, pertain to the following services:

1. Piston Technical Support
2. Information Technology Services
3. Pistons Operations Management
4. Pistons Application Engineering
5. Global Executive Management Services, inter-alia, covering the following:
  - (i) Communications
  - (ii) Environment, Health and Safety
  - (iii) Human Resources
  - (iv) Legal
  - (v) Finance
  - (vi) Quality / Customer Satisfaction
  - (vii) Real Estate
  - (viii) OE Sales and Marketing
  - (ix) Tax
  - (x) Treasury
  - (xi) Treasury – Risk Management

6. Valve Seats and Guides ("VSG") Sales
7. Rings Operational Management
8. Pistons Sales
9. Rings Application Engineering
10. Central Purchasing Powertrain
11. Powertrain VSG Application Engineering
  
12. Rings Sales
13. Powertrain Pistons Purchasing
14. Key Account Sales Management
15. Powertrain Rings, Liners & VSG Purchasing

Sharing of these services enables reductions in cost; improvement in efficiency and expertise; and improvement in profitability. To replicate these services at each production site would be very expensive, resulting in significant profit reduction.

These services are provided to all the group companies that are parties to CAA and thereby the Company not only benefits through availability of better quality of services but also clubbing of such services in a pool helps achieving economies of scale at the group level, thereby resulting in lower costs.

As per the arm's length study report issued by BSR & Co LLP, the charge of Euro 4.9 million is at an arm's length basis.

Regards,

Yours truly,

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



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

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 Jeejeeboy Towers  
28<sup>th</sup> Floor, Dalal Street  
Mumbai 400 023