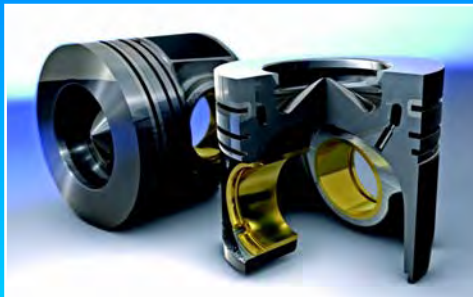




# FEDERAL-MOGUL GOETZE (INDIA) LIMITED



**67<sup>th</sup> Annual Report - 2021-22**



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

Statutory Auditor  
M/s. Walker, Chandiok & Co. LLP

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### 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  
Fax No. 011-42541201  
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 2022	March 2021	March 2020	March 2019	March 2018	March 2017	March 2016 (15 months)	December 2015	December 2013	December 2012
Total Income (gross)	1,34,433.26	1,11,056.59	1,09,115.27	1,34,747.24	1,36,221.30	1,41,345.50	1,50,128.05	1,70,452.08	1,26,832.80	1,31,370.48
Depreciation	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	6,193.52
Profit before Tax	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	(1,383.93)
Taxation (adjmt for excess provision for prev.yr. written back if any)	1,857.08	61.65	19.57	4,755.24	5,109.62	3,780.76	2,779.51	1,610.19	977.29	251.82
Profit after Tax	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	(1,635.74)
Dividend	-	-	-	-	-	-	-	-	-	-
Dividend Tax	-	-	-	-	-	-	-	-	-	-
Retained Profit/(Loss)	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	(1,635.74)

## Assets Liabilities & Net Worth

	March 2022	March 2021	March 2020	March 2019	March 2018	March 2017	March 2016	December 2015	December 2013	December 2012
Fixed Assets	52,099.97	53,193.94	55,705.18	56,877.36	54,712.22	54,088.36	55,247.43	52,409.45	50,710.79	49,557.25
Investments	665.54	517.43	516.94	516.94	513.25	513.25	510.00	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	19,021.30
Share Capital	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	5,563.21
Reserves	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	34,320.16
Net Worth	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	39,883.37

## Significant Ratios

(Rs. in lacs)

	March 2022	March 2021	March 2020	March 2019	March 2018	March 2017	March 2016	March 2015	Decr 2013	Decr 2012
<b>A. Measurement of Investment</b>										
Percentage of Return on Investment (annualised)	9.23	0.50	2.69	17.56	19.57	16.02	10.54	7.34	5.01	(2.40)
Percentage of Return on Equity(annualised)	9.23	0.50	2.81	19.27	22.54	20.84	15.25	10.91	7.42	(3.40)
Dividend Cover (Ratio)	-	-	-	-	-	-	-	-	-	-
<b>B. Measurement of Performance</b>										
Percentage of Profit before Tax to sales	5.47	0.35	1.96	10.09	10.20	7.91	4.91	2.85	2.44	(1.06)
Percentage of Profit after Tax to sales	4.07	0.29	1.94	6.49	6.38	5.19	3.01	1.88	1.65	(1.26)
<b>C. Measurement of Financial Status</b>										
Percentage of term Loans to Tangible Net Worth	-	-	-	-	-	0.08	0.23	0.20	0.18	0.10
Current Ratio	1.77	1.83	1.90	1.61	1.39	1.20	0.98	0.93	0.90	0.83
<b>D. General</b>										
Dividend per Equity Share (Rs.)	-	-	-	-	-	-	-	-	-	-
Earnings per Equity Share (Rs.) (annualised)	9.48	0.14	5.36	14.83	14.91	13.33	7.91	5.64	3.70	(2.94)
Book Value per Equity Share (Rs.)	145.80	136.13	135.56	131.83	116.45	101.11	88.18	81.03	75.39	71.69

## Corporate Social Responsibility Activities

This year as well, Covid 19 continued to disrupt the socio-economic circumstances of the whole world. As in the last year, most of the employees of the company were working from home for majority of the year. The Company took precautionary measures for most of their employees to 'Work from Home' and also use masks and washing hands with sanitizers frequently .

The schools gradually opened up towards the end of 2021 -2022; we have undertaken several activities to maintain a few schools, hospitals and also conserve the environment.

### BHIWADI – GOVERNMENT SCHOOL, VILLAGE SAIDPUR, BHIWADI

This is in line with our commitment and efforts to promote basic education and to develop primary education standards.

The primary objective of the program is to contribute towards development of basic infrastructure and ensure cleanliness and hygiene by managing maintenance of the school building. The

CSR activity was initiated to develop school building of Government Secondary School located at village Saidpur, Bhiwadi by renovation, repairing and painting of the school area of approx. 55,000 sq. ft having 15 numbers of classrooms / offices, verandah (porch) and 4 numbers of washrooms.



## ENVIRONMENT PLANTATION DRIVE

The main objective of the program is to contribute towards the well-being of community in which we live, work and play. It is important to protect the environment because man-made disruptions to ecosystems can cause extinction as pollution harms both animals and humans.

We initiated the CSR activity to develop green area near our

boundary wall. Based on the initial assessment of the existing condition of the area, work was done for repairing drainage, providing drainage covers, repairing and levelling nearby area and providing fencing to safe guard the area.

In continuation to the above, we also organized a tree plantation drive on September 22,2021.



**BEFORE**



**AFTER**



## MEDICAL OXYGEN GENERATING PLANT AT CHC BHIWADI

During the second wave of COVID 19, considering shortage of medical oxygen which was crucial for effective treatment of Covid 19 patients, we initiated the process of installation of Medical Oxygen Generation Plant at Community Health Center, Bhiwadi in the last week of April 2021 with the support of another Company.

Based on the infrastructure available it was decided to go with Medical Oxygen Generation Plant with the capacity of 10 NM<sup>3</sup> to facilitate patients up to 35 beds.

The inauguration ceremony was organized at Government Hospital, Bhiwadi on August 31 2021.



## SUPPORTED GOVERNMENT HOSPITAL, BHIWADI WITH REQUIRED FURNITURE

We donated required furniture including office tables, chairs & computer table, to Bhiwadi Government Hospital (Community Health Center) to improve basic working conditions at the hospital for doctors and support staff on August 13, 2021.



## SUPPORTED GOVERNMENT HOSPITAL, BHIWADI WITH REQUIRED AIR CONDITIONERS

We also donated 2 Air conditioners to Bhiwadi Government Hospital (Community Health Center) for installation in operation theatre and laboratory on July 2nd, 2021.





## GURGAON / DELHI – GHAR ANGNA

THIS SCHOOL IS 100% FUNDED THROUGH THE COMPANY'S CSR FUNDS

Under our CSR initiatives, we are supporting 115 students who come from under-privileged families' background.

### Activities & Celebrations!



## VIDYA

At Vidya, we sponsored the following in 2021-22 –

- NIOS Bridge Course Program – Gurgaon.
- NIOS Community Program – IIT Delhi Campus.
- Silai Centre.

At VIDYA, through NIOS the focus is to provide alternate means of schooling – who are not privileged enough to receive education through formal schools. VIDYA NIOS is giving a second opportunity to many who thought failure could impact their future.

- NIOS Bridge Course Program – Gurgaon.

Total number of registered students in VIDYA NIOS (Class XII and Class X) : 128



Computer class



Yoga class



## Art and Craft Work done by NIOS Students



## Practical Exams are conducted throughout the year

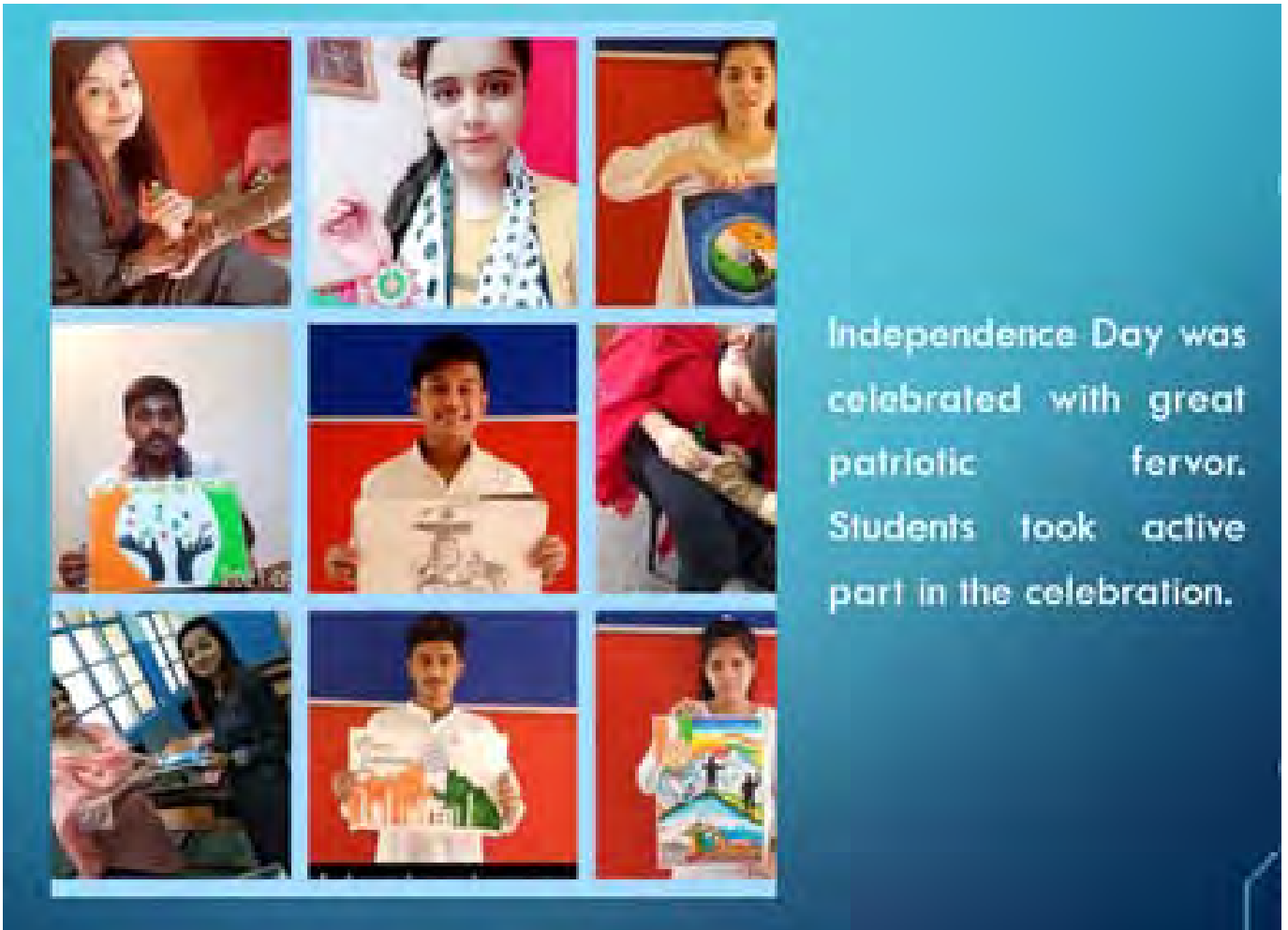




- NIOS Community Program – IIT Delhi Campus

Total number of registered students in VIDYA NIOS (Class XII and Class X) : 68





#### Few Achievements – VIDYA Students

- Two girl students are selected for 16-20 months fully residential Navgurukul software coding course to be conducted in DSEU, Dwarka Campus.
- Four girl students are selected for 6 months Dental Assistant Programme. The course curriculum is formatted on the NSQF as advised by NSDC.

#### VIDYA Alumni Students

- Vikas Thappa- Doing International Diploma in culinary arts.
- Sourabh – Working as Assistant Cook in ALOFT Hotel, Aerocity, Gurugram.
- Diksha – Got enrolled for B.A. in Yoga from Shri Lal Bahadur Shastri National Sanskrit University, Katwaria Sarai.
- Diyya – Doing two years Diploma in special needs education.

## SILAI CENTRE

Stall set up to display the items made by women at the Christmas carnival organized by New Age Momprenuers.

- Christmas celebrations at the centre with beneficiaries.
- Personality Development classes conducted by volunteers.
- Stall set up by Silai students at VIDYA school function.
- Paint class workshop for beneficiaries.
- SHG Mahila Shakti meetings were organized every month.
- Computer literacy classes every week.
- Order of cotton bags by clients.
- Workshop on self-care and safety measures.
- Visit by entrepreneurs to see the products made by women.
- 2000 Masks order supplied to Vidya School.
- 8000 Masks production started for Fidelity.
- Training for making Diwali gifts.



## PRAYAS JUVENILE AID CENTRE

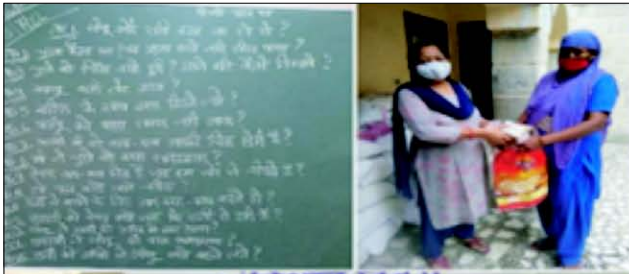
We sponsor the education of 100 girl children (50 from the remand home & 50 from local community).

Prayas has initiated the activities with mobilization to reach out to the hardest to reach children living in extremely difficult from the nearby slum areas.

A total of 100 children have benefitted through this ongoing education project supported by the Company including 50 girls in need of care and protection living at the Children Home for Girls .

The Project is aimed to ensure formal and informal education. The project is focused at strengthening the educational base of the children to enable them to compete with other students.







## SOS CHILDREN'S VILLAGE CORPORATE EDUCATION SUPPORT PROGRAM

The Company under its CSR initiatives, supported 130 parentless and abandoned children (girl child) from SOS Children's Village Bangalore, Greenfields and Rajpura. This initiative intends to provide them age appropriate education so that they could become independent and contribute to the society.

### Family Home Sponsorship

The Company supported 20 parentless, homeless and abandoned children in SOS Children's Village Rajpura and Bangalore.

### Few pictures and glimpses from the supported program:



Mother's training (Greenfields)



Session with children (Greenfields)



Mother's meeting (Rajpura)



Festival celebration (Rajpura)



Home Management Committee meeting (Bangalore)



Medical camp (Bangalore)



Digital camp



Independence Day



Visit by District Judge



Session on meditation



Immunity boost program



Session on Yoga

## BANGALORE – SRI ATAL BIHARI VAJPAYEE ZOOLOGICAL PARK

Construction of Day crawls for lions and tigers at Sri Atal Bihari Vajpayee Zoological Park, Kamalpur, Hospet Taluk, Bellary.



## CONDUCTING OF TAILORING AND TWO WHEELER REPAIR TRAINING UNIT AT GOVT GIRLS AND BOYS SCHOOL

The main aim of the projects was to instill two wheeler repairing and tailoring skills and enhance self-employability.





## CONDUCTING OF TAILORING TRAINING AT MANAV CHARITIES UNIT

The main aim of the project was to help unemployed women through skill enhancement and employability.



## PATIALA SOCIETY FOR WELFARE OF THE HANDICAPPED, VILLAGE SAIFDIUR, PATIALA

The Company provided summer and winter uniforms along with shoes.



## WATER CONSERVATION

The Company was involved in the construction of rain water harvesting systems, contributing towards water conservation.





## FEDERAL-MOGUL GOETZE (INDIA) LIMITED

CIN: L74899DL1954PLC002452

**Registered Office:** DLF Prime Towers, 10 Ground Floor,  
F-79 & 80, Okhla Phase - I, New Delhi - 110020

**Corporate Office:** 10<sup>th</sup> Floor, Paras Twin Towers,  
Tower- B, Golf Course Road, Sector- 54 Gurugram-122002

**Tel. :** +91 124 4784530; +91 11 4905 7597

**Fax :** +91 124 4292840, +91 11 4905 7597

**E-mail :** [investorgrievance@tenneco.com](mailto:investorgrievance@tenneco.com);

**Website :** [www.federalmogulgoetzeindia.net](http://www.federalmogulgoetzeindia.net)



### NOTICE

Notice is hereby given that the 67<sup>th</sup> (Sixty-seventh) Annual General Meeting (AGM) of Federal-Mogul Goetze (India) Limited (the Company) will be held on Tuesday, 20<sup>th</sup> September, 2022 at 11:00 AM through Videoconferencing (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, 2022 and Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Manish Chadha (DIN: 07195652) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sunit Kapur (DIN:03435110) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Deloitte Haskins & Sells, LLP as Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the calendar year 2027 and to fix their remuneration:

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, Deloitte Haskins & Sells LLP, having firm registration no. 117366W/W-100018, who have provided their consent and confirmed their eligibility for appointment of Statutory Auditors in terms of Section 141 of the Companies Act, 2013 and applicable Rules be and are hereby appointed as the Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of this 67<sup>th</sup> (Sixty Seventh) Annual General Meeting (AGM) of the Company till the conclusion of the 72<sup>nd</sup> (Seventy Second) Annual General Meeting to be held in the calendar year 2027.

**RESOLVED FURTHER THAT** the Board of Directors or Audit Committee thereof, be and are hereby severally authorised to decide and finalise the terms and conditions of appointment of the Statutory Auditors.”

#### **SPECIAL BUSINESS:**

**TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

##### **5. Ratification of Remuneration to Cost Auditor for the financial year 2022-23**

**“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 2022-23, amounting to Rs. 4,95,000/- (Rupees Four Lakh Ninty-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.”

**TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTIONS AS SPECIAL RESOLUTION:**

##### **6. Re-appointment of Ms. Nalini Jolly (DIN: 08520132) as an Independent Director for the Second Term**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 160, Schedule IV and other applicable provisions, if any, of Companies Act, 2013 read with rules made thereunder and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to re-appoint Ms. Nalini Jolly (DIN:08520132), as recommended by the Nomination & Remuneration Committee and subject to the approval of the shareholders, as an Independent Director of the Company to hold the office for a period of five (5) years, with effect from 13<sup>th</sup> August, 2022.”

**7. Approval of enhancement of tenure of Mr. Sundareshan Kanakku Chembakaraman Pillai as an Independent Director on the Board of the Company**

“**RESOLVED THAT** in partial modification to the resolution passed by the members of the Company on 22<sup>nd</sup> September 2020 and pursuant to the provisions of Section 149, 152 and 160, Schedule IV and other applicable provisions, if any, of Companies Act, 2013 read with rules made thereunder and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to enhance the tenure of Mr. Sundareshan Kanakku Chembakaraman Pillai (DIN: 06846949) as a Non-Executive Independent Director of the Company to hold office for a period of five (5) years, with effect from 16<sup>th</sup> December, 2019.

**RESOLVED THAT** sitting fee of Mr. KCS Pillai be and is hereby fixed at Rs. 20,000/- for attending each of the meetings of the Board and/or Committee thereof.”

**8. Re-appointment of Mr. Vinod Kumar Hans as the Whole-Time Managing Director of the Company with effect from January 1, 2022 including terms of re-appointment thereto**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and read with rules framed thereunder as amended upto date and any amendments or re-enactments thereto and subject to the approval of the Central Government, if any, subject to the maximum permissible limits of 5% and 10% of the net profits of the Company, and the overall limit of 11% of the net profits as laid down in Section 197 of the Companies Act, 2013, and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, as amended upto date, any amendments or re-enactments thereto and any other acts, rules or other statutes, consent of the members be and is hereby accorded to re-appoint Mr. Vinod Kumar Hans, as the Whole-Time Managing Director of the Company, for a period of three years w.e.f 1<sup>st</sup> January, 2022 till 31<sup>st</sup> December, 2024 on the terms and conditions and to alter and vary the terms of remuneration from time to time as may be deemed fit within the overall limit of remuneration, mentioned hereinbelow:

Base Salary	: Salary in the scale of Rs. 48,00,000/- to Rs. 63,00,000/- per annum subject to annual review by the Board/Remuneration Committee.
Perquisites	: <ul style="list-style-type: none"> <li>• HRA: 50% of the base salary p.a.</li> <li>• Special Allowance: In the scale of Rs. 52,33,500/- p.a. to Rs. 69,00,000/- p.a. subject to annual review by the Board/Remuneration Committee.</li> <li>• LTA: As per the rules of the Company from time to time;</li> <li>• Medical Reimbursement: As per the rules of the Company from time to time;</li> <li>• Bonus: Mr. Hans will be entitled to annual MIP bonus subject to a maximum of Rs. 66,00,000/- p.a.</li> <li>• Car Allowance: Rs. 7,50,000/- or such higher amount as may be fixed as per Company's policy from time to time.</li> <li>• Petrol &amp; Maintenance reimbursement: On the basis of actual expense.</li> <li>• Driver Reimbursement: As per Company's policy from time to time.</li> <li>• Provident Fund Contribution: 12% of Base Salary</li> <li>• Gratuity: 4.81% of Base salary.</li> <li>• Contribution to Superannuation fund/NPS: As per Company's policy from time to time.</li> </ul>

**RESOLVED FURTHER THAT** where in any financial year during the tenure of appointment of Mr. Vinod Kumar Hans as Whole-Time Managing Director, the Company has no profits or its profits are inadequate, Mr. Hans shall be paid the above remuneration as the minimum remuneration, subject to the approval of the Central Government, if required, and/ or upon compliance of the applicable requirements of Schedule V to the Companies Act, as existing or as amended from time to time.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee or the Board of Directors be and is hereby authorised, from time to time, to alter/vary the terms and conditions of appointment of Mr. Vinod Kumar Hans as Whole-Time Managing Director, of the Company, including the payment of remuneration to him within the maximum permissible limits under Schedule V to the Companies Act, 2013 or within the scale as may be approved by the Central Government.”

**9. Re-appointment of Mr. Rajesh Sinha as a Whole-Time-Director of the Company with effect from January 1, 2022 including terms of Re-Appointment thereto**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and read with rules framed thereunder, as amended upto date and any amendments or re-enactments thereto and subject to the approval of the Central Government, if any, subject to the maximum permissible limits of 5% and 10% of the net profits of the Company, and the overall limit of 11% of the net profits as laid down in Section 197 of the

Companies Act, 2013, and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, as amended upto date, any amendments or re-enactments thereto and any other acts, rules or other statutes, consent of the members be and is hereby accorded to re-appoint Mr. Rajesh Sinha, as the Whole-Time Director of the Company, for a period of three years w.e.f 1<sup>st</sup> January, 2022 to 31<sup>st</sup> December, 2024 on the terms and conditions and to alter and vary the terms of remuneration from time to time as may be deemed fit within the overall limit of remuneration, mentioned hereinbelow:

Base Salary :	Salary in the scale of Rs. 33,00,000/- to Rs. 43,00,000/- per annum subject to annual review by the Board/Remuneration Committee.
Perquisites :	<ul style="list-style-type: none"> <li>• HRA: 50% of the base salary p.a.</li> <li>• Special Allowance: In the scale of Rs. 34,25,880/- p.a. to Rs. 45,00,000/- p.a. subject to annual review by the Board/Remuneration Committee.</li> <li>• LTA: As per the rules of the Company from time to time;</li> <li>• Medical Reimbursement: As per the rules of the Company from time to time;</li> <li>• Bonus: Mr. Sinha will be entitled to annual MIP bonus subject to a maximum of Rs. 28,00,000/- p.a.</li> <li>• Car Allowance: Rs. 5,10,000/- or such higher amount as may be fixed as per Company's policy from time to time.</li> <li>• Petrol &amp; Maintenance reimbursement: On the basis of actual expense.</li> <li>• Driver Reimbursement: As per Company's policy from time to time.</li> <li>• Provident Fund Contribution: 12% of Base Salary</li> <li>• Gratuity: 4.81% of Base salary.</li> <li>• Contribution to Superannuation fund/NPS: As per Company's policy from time to time.</li> </ul>

**RESOLVED FURTHER THAT** where in any financial year during the tenure of re-appointment of Mr. Rajesh Sinha as Whole-Time Director, the Company has no profits or its profits are inadequate, Mr. Sinha shall be paid the above remuneration as the minimum remuneration, subject to the approval of the Central Government, if required, and/ or upon compliance of the applicable requirements of Schedule V to the Companies Act, as existing or as amended from time to time.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee or the Board of Directors be and is hereby authorised, from time to time, to alter/vary the terms and conditions of appointment of Mr. Rajesh Sinha as Whole-Time Director, of the Company, including the payment of remuneration to him within the maximum permissible limits under Schedule V to the Companies Act, 2013 or within the scale as may be approved by the Central Government."

**10. Re-Appointment of Mr. Manish Chadha as the CFO & Whole-Time Director-Finance of the Company with effect from February 5, 2022 including terms of Re-Appointment thereto**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and read with rules framed there under as amended upto date and any amendments or re-enactments thereto and subject to the approval of the Central Government, if any, subject to the maximum permissible limits of 5% and 10% of the net profits of the Company, and the overall limit of 11% of the net profits as laid down in Section 197 of the Companies Act, 2013, and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, as amended upto date, any amendments or re-enactments thereto and any other acts, rules or other statutes, consent of the members be and is hereby accorded to re-appoint Mr. Manish Chadha, as the CFO & Whole-time Director-Finance of the Company, for a period of three (3) years commencing from 5<sup>th</sup> February, 2022 till 4<sup>th</sup> February, 2025 on the terms and conditions and to alter and vary the terms of remuneration from time to time as may be deemed fit within the overall limit of remuneration, mentioned hereinbelow:

Base Salary :	Salary in the scale of Rs. 28,68,000/- to Rs. 38,00,000/- per annum subject to annual review by the Board/Remuneration Committee.
Perquisites :	<ul style="list-style-type: none"> <li>• HRA: 50% of the base salary p.a.</li> <li>• Special Allowance: In the scale of Rs. 29,77,200/- p.a. to Rs. 40,00,000/- p.a. subject to annual review by the Board/Remuneration Committee.</li> <li>• LTA: As per the rules of the Company from time to time;</li> <li>• Medical Reimbursement: As per the rules of the Company from time to time;</li> <li>• Bonus: Mr. Chadha will be entitled to annual MIP bonus subject to a maximum of Rs. 24,00,000/- p.a.</li> <li>• Car Allowance: Rs. 5,10,000/- or such higher amount as may be fixed as per Company's policy from time to time.</li> </ul>

- Petrol & Maintenance reimbursement: On the basis of actual expense.
- Driver Reimbursement: As per Company's policy from time to time.
- Provident Fund Contribution: 12% of Base Salary
- Gratuity: 4.81% of Base salary.
- Contribution to Superannuation fund/NPS: As per Company's policy from time to time.

**RESOLVED FURTHER THAT** where in any financial year during the tenure of appointment of Mr. Chadha as CFO & Finance Director, the Company has no profits or its profits are inadequate, Mr. Chadha shall be paid the above remuneration as the minimum remuneration, subject to the approval of the Central Government, if required, and/ or upon compliance of the applicable requirements of Schedule V to the Companies Act, as existing or as amended from time to time.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee or the Board of Directors be and is hereby authorised, from time to time, to alter/vary the terms and conditions of appointment of Mr. Manish Chadha as CFO & Whole-Time Director-Finance, of the Company, including the payment of remuneration to him within the maximum permissible limits under Schedule V to the Companies Act, 2013 or within the scale as may be approved by the Central Government.”

**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: I-GF-Emerald Hills Floor-138,  
Sec.-65 Urban Estate, Golf Course Extn. Road,  
Gurugram-122101

Date : 08-08-2022  
Place : Gurugram

## Notes:

In view of the continuing COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the 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 and Circular No. 02/2022 dated 5th May, 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 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 (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.

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. **Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.**
2. 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 atleast 1000 members on 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.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. 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 the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing 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 remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company <http://federalmogulgoetzeindia.net/web/index.html> in the Financial Review 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).
6. The recorded transcript of the forthcoming AGM scheduled to be held on 20<sup>th</sup> September, 2022, 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.
7. 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. 20<sup>th</sup> September, 2022. Members seeking to inspect such documents can send an email to [investorgrievance@tenneco.com](mailto:investorgrievance@tenneco.com).
8. In order to receive copies of the Annual Report 2021-2022 in electronic mode, Members holding shares in demat mode, who have not registered their email 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. eAlankit Assignments Limited by sending a request letter providing Folio No., Name of 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).
9. 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.

10. 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 statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
11. Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
12. 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.
13. The Register of Members and Share Transfer Register will remain closed from Tuesday, 13<sup>th</sup> September, 2022 to Tuesday, 20<sup>th</sup> September, 2022 (both days inclusive).
14. The Directors' Report, Auditors' Report, Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2022 are annexed herewith.
15. 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.
16. 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 the Circulars issued by the Ministry of Corporate Affairs dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020, 5<sup>th</sup> May, 2020, 13<sup>th</sup> January, 2021, 8<sup>th</sup> December, 2021, 14<sup>th</sup> December, 2021 and 5<sup>th</sup> May, 2022, the Company is providing 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 General Meeting 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 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, Company Secretary, for any grievances connected with electronic means at [investorgrievance@tenneco.com](mailto:investorgrievance@tenneco.com), Tel. No.: +91 124 4784530.
17. The remote e-voting period commences on 17<sup>th</sup> September, 2022, Saturday(9:00 AM) and ends on 19<sup>th</sup> September, 2022, Monday (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. 14<sup>th</sup> September, 2022, Wednesday 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 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 member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 14<sup>th</sup> September, 2022 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 "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 remote e-voting period, the facility shall forthwith be blocked.
18. The Board vide its Resolution passed on 20<sup>th</sup> May, 2022 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 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.

19. 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 17<sup>th</sup> September, 2022 (Saturday) at 09:00 A.M. and ends on 19<sup>th</sup> September, 2022 (Monday) at 05:00 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. 14<sup>th</sup> September, 2022 (Wednesday), 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 14<sup>th</sup> September, 2022.

**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 "<b>Login</b>" which is available under 'IDeAS' 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 <b>e-Voting services</b> and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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> </ol>

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>  App Store            Google Play         </p> <div style="display: flex; justify-content: space-around;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <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 provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>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 &amp; voting during the meeting.</p>

**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
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>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 toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>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 022- 23058738 or 022-23058542-43</p>



**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 :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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 Annual General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join Annual 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 General 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” and 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).
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 toll free no.: 1800 1020 990 and 1800 22 44 30 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 [rta@alankin.com](mailto:rta@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 [rta@alankin.com](mailto:rta@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 AGM ARE AS UNDER:-**

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

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

1. Member will be provided with a facility to attend the 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 link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General 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: I-GF-Emerald Hills Floor-138,  
Sec.-65 Urban Estate, Golf Course Extn. Road,  
Gurugram-122101

Date : 08.08.2022  
Place : Gurugram



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### **Item No. 04**

Deloitte Haskins & Sells was constituted in 1997 and was converted to a Limited Liability Partnership, Deloitte Haskins & Sells LLP ("DHS LLP" or "Firm"), in November 2013. DHS LLP is registered with the Institute of Chartered Accountants of India (Registration No. 117366W/W-100018). The Firm has around 4000 professionals and staff. DHS LLP has offices in Mumbai, Delhi, Kolkata, Chennai, Bangalore, Ahmedabad, Hyderabad, Coimbatore, Kochi, Pune, Jamshedpur and Goa. The registered office of the Firm is One International Center, Tower 3, 27th to 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013, Maharashtra, India.

As the second term of present Statutory Auditors of the Company i.e. Walker, Chandio & Co., LLP Chartered Accountants, would expire at the conclusion of the forthcoming Annual General Meeting of the Company. Therefore, in line with the requirements of Sections 139 and 142 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, as amended from time to time, the Audit Committee and the Board have recommended the appointment of Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company for a term of five years from the conclusion of this 67th (Sixty Seventh) Annual General Meeting (AGM) of the Company till the conclusion of the 72nd (Seventy Second) Annual General Meeting to be held in the calendar year 2027.

The proposed fee to be paid to the Statutory Auditors for the year 2022-23 is Rs. 65,00,000/- (Rupees Sixty-Five Lacs only). For the subsequent financial years of the tenure, it is proposed to authorize the Board of Directors to fix and pay the statutory fee and other charges, based on the recommendations of the Audit Committee.

There is no material change in the fee payable to the new statutory auditors i.e. Deloitte Haskins & Sells, LLP from that paid to the outgoing statutory auditors.

None of the Directors/ Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends their appointment and payment of remuneration for approval of the shareholders and to pass the resolution as set out in Item No.4 as an Ordinary Resolution.

### **Item No. 05**

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 M/s. Sanjay Gupta & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2022-23 at a remuneration of Rs. 4,95,000/- (Rupees Four Lakh Ninty-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 2022-23 as set out in Item No. 5 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 recommend to pass the resolution as set out in Item No.5 as an Ordinary Resolution.

### **Item No. 06**

In terms of Section 149 and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended from time to time, it is proposed to re-appoint Ms. Nalini Jolly as an Independent Director for a period of five (5) years with effect from 13<sup>th</sup> August, 2022 to 12<sup>th</sup> August, 2027. The Company has received the notice under Section 160 of the Companies Act, 2013 from a member proposing her candidature as director of the Company.

Ms. Nalini Jolly, aged about 55 years, is a Commerce graduate from Jesus and Mary Collage, Delhi University and has done PGDM from IMT Ghaziabad. She has worked in reputed organisations for over almost 20 years and handled positions of increasing responsibilities in the areas of Strategy & Resource Planning, Sales & Business Development, Supply Chain Management, Training & Mentoring, Service Branding & Marketing, Technical Support Operations, Treasury, Corporate Governance, Board, Legal matters and business role.

Ms. Nalini Jolly has confirmed that she is not disqualified in terms of Section 164 of the Act and she has given her consent to act as Director of the Company. In the opinion of the Board, Ms. Nalini Jolly fulfils all the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

Save and except Ms. Nalini Jolly and her relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in there solution set out at Item No. 6.

Ms. Jolly has confirmed that she is not disqualified in terms of Section 164 of the Act and she has given her consent to act as Director of the Company.

The nomination and remuneration committee, after taking into account the performance evaluation of Ms. Nalini Jolly during her first term of three (3) years and considering her knowledge, acumen, expertise, experience and substantial contribution and time commitment, has recommended to the Board her reappointment for a second term of five (5) years.

In the opinion of the Board, Ms. Jolly fulfils all the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

The relevant documents relating to appointment of Ms. Nalini Jolly are available for inspection by members at the Registered Office of the Company. In pursuance of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, as amended from time to time, the disclosures regarding her appointment are separately provided in this Notice of Annual General Meeting.

The Board of Directors recommend to pass the resolution as set out in Item No. 6 as a Special Resolution.

#### **Item No. 07**

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company had re-appointed Mr. Pillai as an Independent Director for a period of three (3) years, effective 16<sup>th</sup> December, 2019 in its Board Meeting dated November 08, 2019. In view of the maximum permissible tenure under the Companies Act, 2013 being 5 (five) years, it was proposed to enhance the tenure of Mr. Pillai from three (3) years to five (5) years, subject to approval of the shareholders of the Company.

The Board in its meeting dated February 09, 2022 approved the enhancement of tenure of Mr. Pillai from three (3) years to five (5) years.

Save and except Mr. Pillai and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

The relevant documents relating to the enhancement of tenure of Mr. Pillai are available for inspection by members at the Registered Office of the Company.

The Board of Directors recommend to pass the resolution as set out in Item No.7 as a Special Resolution.

#### **Item No. 08**

In the meeting of Board of Directors held on December 15, 2021, Mr. Vinod Kumar Hans was re-appointed as the Whole-Time Managing Director of the Company.

Mr. Hans, aged about 56 years, has done graduation in Mechanical Engineering from REC Allahabad and post graduation in Business Management from Birla Institute of Management Technology, New Delhi. He has also undertaken one-year leadership and Executive Management Development program with University of Cranefield UK and Cedep, University of Insead, France respectively. Mr. Hans has 35 years of rich experience at various positions in the field of Sales, Engineering and Program Management for OE customers, Aftermarket, Corporate Projects, Product Development and Business Process Restructuring.

Mr. Hans has been associated with the Company since July, 2008. Before being elevated as Managing Director of the Company he was holding the position of Director-Sales. Prior to joining the Company, he was Head of Customer Relation Management in GKN Drive line India Limited and was responsible for Sales, Engineering and Performance Management for all OE customers, aftermarket and exports from India.

Save and except Mr. Vinod Kumar Hans as mentioned above, none of the other directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item no. 8.

Mr. Hans is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to be re-appointed as a Director. The relevant documents relating to re-appointment of Mr. Vinod Kumar Hans are available for inspection by members at the Registered Office of the Company. In pursuance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, as amended from time to time, the disclosures regarding his appointment are separately provided in this Notice of Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company. Accordingly the Board recommends re-appointment of Mr. Hans, as Director liable to retire by rotation and propose to pass the resolution set out in Item no. 8 of the notice as a Special Resolution.

#### **Item No. 09**

In the meeting of Board of Directors held on December 15, 2021, Mr. Rajesh Sinha was re-appointed as Whole-Time Director of the Company.

Mr. Sinha, aged 53 years, has done Bachelor of Engineering in Mechanical from Bhilai Institute of Technology, Bhilai and Master of Business Administration in Operations from IMT, Ghaziabad. Mr. Sinha has over 26 years of rich experience at senior level positions in Production, IR Management, Quality Assurance, VA& VE, Technical Services, Project Execution in the Automobile industries.

Mr. Sinha has been associated with the Company since 2007. Prior to joining the Company in 2007, he was holding the position of Dy. General Manager-Corp. Quality & New Initiatives with Gabriel India Limited.

Save and except Mr. Rajesh Sinha as mentioned above, none of the other directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item no. 9.



Mr. Sinha is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to be re-appointed as a Director. The relevant documents relating to re-appointment of Mr. Rajesh Sinha are available for inspection by members at the Registered Office of the Company. In pursuance of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, as amended from time to time, the disclosures regarding his appointment are separately provided in this Notice of Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company. Accordingly the Board recommends re-appointment of Mr. Sinha, as Director liable to retire by rotation and propose to pass the resolution set out in Item no. 9 of the notice as a Special Resolution.

**Item No. 10**

In the meeting of Board of Directors held on December 15, 2021, Mr. Manish Chadha, was re-appointed as the CFO & Whole-Time Director-Finance of the Company.

Mr. Chadha, aged about 47 years, is a member of Institute of Chartered Accountants of India. Mr. Chadha has over 22 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 industry.

Mr. Chadha has been associated with the Company since 2003 in various senior level positions in the finance department, including that of Group Controller. Prior to joining the Company, he was working with Daweoo Motors India Limited as Manager-Finance.

Save and except Mr. Manish Chadha as mentioned above, none of the other directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item no. 10.

Mr. Chadha is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to be re-appointed as a Director. The relevant documents relating to re-appointment of Mr. Chadha are available for inspection by members at the Registered Office of the Company. In pursuance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, as amended from time to time, the disclosures regarding his appointment are separately provided in this Notice of Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company. Accordingly the Board recommends re-appointment of Mr. Chadha, as Director liable to retire by rotation and propose to pass the resolution set out in Item no. 10 of the notice as a Special Resolution.

**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: I-GF-Emerald Hills Floor-138,  
Sec.-65 Urban Estate, Golf Course Extn. Road,  
Gurugram-122101

**Date : 08.08.2022  
Place : Gurugram**

**DETAILS OF THE DIRECTORS (IN PURSUANCE OF SECRETARIAL STANDARD-2 AND REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)**

<b>Name of Director</b>	<b>Ms. Nalini Jolly</b>
<b>Original Date of Appointment</b>	13 <sup>th</sup> August 2019
<b>Age</b>	55 Years (Approx.)
<b>Expertise in specific functional areas</b>	Ms. Nalini Jolly has worked in reputed organisations for over almost 23 years and has handled positions of increasing responsibilities in the areas of Strategy & Resource Planning, Sales & Business Development, Supply Chain Management, Training & Monitoring, Service Branding & Marketing, Technical Support operations.
<b>Qualifications</b>	B. Com (Honours) from Jesus and Mary College, Delhi University and PGDM from IMT Ghaziabad
<b>Directorships held in other companies (excluding foreign companies)</b>	Nil
<b>Committee position held in other companies</b>	Nil
<b>No. of Board meetings attended during the year</b>	<b>06</b>
<b>No. of shares held</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)**

<b>Name of Director</b>	<b>Mr. Vinod Kumar Hans</b>
<b>Original Date of Appointment</b>	01 <sup>st</sup> January, 2016
<b>Age</b>	56 Years (Approx.)
<b>Expertise in specific functional areas</b>	Mr. Vinod Kumar Hans has 35 years of rich experience at various positions in the field of Sales, Engineering and Program Management for OE customers, Aftermarket, Corporate Projects, Product Development and Business Process restructuring.  Mr. Hans has been associated with the Company since July, 2008 as Director-Sales and presently holding the position of Whole-Time Managing Director. Prior to joining the Company, he was Head of Customer Relation Management in GKN Driveline India Limited and responsible for Sales, Engineering and Performance Management for all OE customers, aftermarket and exports from India.
<b>Qualifications</b>	Mr. Hans is a graduate in Mechanical Engineering from REC Allahabad and a post-graduate in Business Management from Birla Institute of Management Technology, New Delhi. He has also undertaken one-year leadership and Executive Management Development program with University of Cranefield UK and Cedep, University of Insead, France, respectively.
<b>Directorships held in other companies (excluding foreign companies)</b>	<ol style="list-style-type: none"> <li>1. Federal-Mogul Ignition Products India Limited</li> <li>2. Federal-Mogul Bearings India Limited</li> <li>3. Federal-Mogul TPR (India) Limited</li> <li>4. Federal-Mogul Sealings India Limited</li> </ol>
<b>Committee position held in other companies</b>	<ol style="list-style-type: none"> <li>1. <b>Federal-Mogul Ignition Products India Limited</b> <ul style="list-style-type: none"> <li>- Audit Committee, Chairman</li> <li>- Nomination &amp; Remuneration Committee, Member</li> <li>- Corporate Social Responsibility Committee, Chairman</li> </ul> </li> <li>2. <b>Federal-Mogul Bearings India Limited</b> <ul style="list-style-type: none"> <li>- Audit Committee, Chairman</li> <li>- Nomination &amp; Remuneration Committee, Chairman</li> </ul> </li> </ol>



- Stakeholders' Relationship Committee, Chairman
- Corporate Social Responsibility Committee, Chairman
- 3. Federal-Mogul TPR (India) Limited**
- Corporate Social Responsibility Committee, Chairman
- 4. Federal-Mogul Sealings India Limited**
- Stakeholders' Relationship Committee, Chairman
- Share Transfer Committee, Chairman

No. of Board meetings attended during the year **06**  
No. of shares held 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)**

<b>Name of Director</b>	<b>Mr. Rajesh Sinha</b>
<b>Original Date of Appointment</b>	01 <sup>st</sup> January, 2016
<b>Age</b>	53 Years (Approx.)
<b>Expertise in specific functional areas</b>	Mr. Rajesh Sinha has over 26 years of rich experience at senior level positions in Production, Industrial Relations Management, Quality Assurance, VA & VE, Technical Services, Project Execution in the Automobile industries.  Mr. Sinha has been associated with the Company since 2007. Prior to joining the Company in 2007, he was holding the position of Dy. General Manager-Corp. Quality & New Initiatives with Gabriel India Limited.
<b>Qualifications</b>	Mr. Sinha is a Bachelor of Engineering in Mechanical from Bhilai Institute of Technology, Bhilai and is a Master of Business Administration in Operations from IMT, Ghaziabad.
<b>Directorships held in other companies (excluding foreign companies)</b>	Federal-Mogul TPR (India) Limited
<b>Committee position held in other companies</b>	Nil
<b>No. of Board meetings attended during the year</b>	<b>06</b>
<b>No. of shares held</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)**

<b>Name of Director</b>	<b>Mr. Manish Chadha</b>
<b>Original Date of Appointment</b>	05 <sup>th</sup> February 2016
<b>Age</b>	47 Years (Approx).
<b>Expertise in specific functional areas</b>	<p>Mr. Manish Chadha has over 22 years of rich experience in Controlling, Plant Finance Operations, Statutory Reporting and Compliances, Business Analysis, Strategic Planning, Accounts/ MIS, Financial Planning &amp; Budgeting, Cost control, Internal Control and System Implementation in the Automobile industries.</p> <p>Mr. Chadha has been associated with the Company since 2003 in various senior level positions in the finance department, including that of Group Controller of Motorparts business of the Company. Prior to joining the Company, he was working with Daweoo Motors India Limited as Manager-Finance.</p>
<b>Qualifications</b>	Chartered Accountant from the Institute of Chartered Accountants of India (ICAI).
<b>Directorships held in other companies (excluding foreign companies)</b>	<ol style="list-style-type: none"> <li>1. Federal-Mogul Sealings India Limited</li> <li>2. Federal-Mogul TPR (India) Limited</li> <li>3. Federal-Mogul Bearings India Limited</li> </ol>
<b>Committee position held in other companies</b>	<ol style="list-style-type: none"> <li>1. <b>Federal-Mogul Bearings India Limited</b> <ul style="list-style-type: none"> <li>- Audit Committee, Member</li> <li>- Nomination &amp; Remuneration Committee, Chairman</li> <li>- Corporate Social Responsibility Committee, Member</li> <li>- Stakeholders' Relationship Committee, Member</li> </ul> </li> <li>2. <b>Federal-Mogul Sealings India Limited</b> <ul style="list-style-type: none"> <li>- Stakeholders' Relationship Committee, Member</li> <li>- Share Transfer Committee, Member</li> </ul> </li> </ol>
<b>No. of Board meetings attended during the year</b>	<b>6</b>
<b>No. of shares held</b>	Nil (not in capitalised)



**DETAILS OF THE DIRECTORS (IN PURSUANCE OF SECRETARIAL STANDARD-2 AND REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)**

<b>Name of Director</b>	<b>Mr. Sunit Kapur</b>
<b>Original Date of Appointment</b>	08 <sup>th</sup> May, 2012
<b>Age</b>	47 Years (Approx)
<b>Expertise in specific functional areas</b>	Mr. Sunit Kapur is a Mechanical Engineer from the Punjab University and has also done General Management Programme at CEDEP (INSEAD). Mr. Kapur has been associated with the Company since 1994. He has around 28 years of rich experience in Manufacturing, Engineering, Projects, Operation and General Management. He began his career as Production Manager at the Patiala Plant of the Company and has been instrumental in introduction of various new processes and changes over his tenure of 26 years with the Company. His professional skills and abilities accumulated through intensive on-the-Job and off-the-Job trainings from eminent Global Management and Technical Experts. Mr. Sunit Kapur was Managing Director of the Company during the year 2012-13. Presently, he is Vice President and General Manager – Global Ignition in Tenneco Inc., USA.
<b>Qualifications</b>	Mechanical Engineer and General Management Programme at CEDEP (INSEAD).
<b>Directorships held in other companies (excluding foreign companies)</b>	<b>Federal-Mogul Ignition Products India Limited</b>
<b>Committee position held in other companies</b>	Nil
<b>No. of Board meetings attended during the year</b>	<b>03</b>
<b>No. of shares held</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)**

<b>Name of Director</b>	<b>Mr. K. C. Sundareshan Pillai</b>
<b>Original Date of Appointment</b>	16 <sup>th</sup> December, 2016
<b>Age</b>	66 Years (Approx.)
<b>Expertise in specific functional areas</b>	Mr. Pillai, aged about 66 years, has done his graduation in Mechanical Engineering from National Institute of Technology, Raipur. Mr. Pillai has also attended various training programmes, including Technical trainings in Europe and U.S.A. Mr. Pillai has 35 years of rich experience in steering sales and marketing functions and technical areas with said companies.
<b>Qualifications</b>	Graduation in Mechanical Engineering from National Institute of Technology, Raipur
<b>Directorships held in other companies (excluding foreign companies)</b>	Nil
<b>Committee position held in other companies</b>	Nil
<b>No. of Board meetings attended during the year</b>	<b>06</b>
<b>No. of shares held</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 : 08.08.2022  
Place : Gurugram**

## DIRECTORS' REPORT

Your Directors are pleased to present the 67<sup>th</sup> Annual Report and Audited Financial Statement of Accounts for the financial year ending 31<sup>st</sup> March, 2022.

### Financial Results

(Rs. In Lakhs)

Particulars	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021
Income from operations	132,197.67	108,685.54
Other Income	2,235.59	2,371.05
<b>Total Income</b>	<b>134,433.26</b>	<b>111,056.59</b>
<b>Operating profit before finance charges, depreciation and exceptional item</b>	<b>15,627.48</b>	<b>12,532.32</b>
Finance charges	424.59	242.22
Depreciation	8,105.76	7,958.60
Exceptional items	0.00	4,275.00
<b>Net Profit before tax</b>	<b>7,097.13</b>	<b>56.5</b>
Provision for taxation		
Current tax	1,083.53	1,454.56
less: Deferred Tax	738.26	-1,474.68
<b>Profit After Tax</b>	<b>5,275.34</b>	<b>76.62</b>
Other comprehensive income (net of taxes)	104.90	243.14
<b>Total Comprehensive income</b>	<b>5,380.24</b>	<b>319.76</b>
Profit brought forward from last year	42,361.64	42,041.89
<b>Surplus/ (loss) carried forward to Balance Sheet</b>	<b>47,741.88</b>	<b>42,361.64</b>

### OPERATIONS

During the financial year, the Gross sale of the Company was Rs. 132,197.67 lakhs as against Rs. 108,685.54 lakhs for the financial year ended 31<sup>st</sup> March 2021. The Total income of the Company was Rs. 134,433.26 lakhs as against Rs. 111,056.59 lakhs for the financial year ended 31<sup>st</sup> March 2021.

During the year under review, the Company made a net profit after tax of Rs. 5,380.24 lakhs as against the net profit after tax of Rs. 319.76 lakhs for the financial year ended 31<sup>st</sup> March 2021.

No amount is proposed to be transferred to general reserves. An amount of Rs. 47,741.88 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 ended 31<sup>st</sup> March, 2022.

### 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 programme 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 at 31<sup>st</sup> March 2022 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March 2022;

(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, 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**.

## 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 the following:

In the matter of Federal-Mogul Goetze (India) Limited v/s Additional Labour Commissioner (Administration) & Appellate Authority and Others, the Hon'ble Supreme Court of India on May 13, 2021, upheld the increase in retirement age of workmen at Bangalore plant from 58 years to 60 years. The Company filed a review petition before the Hon'ble Supreme Court, that too was dismissed. Thereafter, the Company filed a curative petition before the Hon'ble Supreme Court of India. In the meantime, the Hon'ble High Court of Karnataka passed an order directing the Company to make payment to former employees by January 31, 2022, which has occurred.

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 AND INVESTMENTS

The Company during the year ended March 31, 2022 had approved invested in the Equity Shares and Compulsory Convertible Debentures (CCDs) of AMP Solar Technology Two Private Limited, (CIN: U40106DL2020PTC364738), a company incorporated on June 12, 2020 under Companies Act, 2013 having its registered office at 309, 3<sup>rd</sup> Floor, Rectangle One, Behind Sheraton Hotel, Saket, New Delhi-110017 u/s 186 of the Companies Act, 2013 as per the below details:

Type of Investment	No.	Par Value	Total (INR)
Equity Investment	7,97,341	10	79,73,410
CCDs	71,760	1,000	7,17,60,000
<b>Total Investment</b>			<b>7,97,33,410</b>

All the relevant compliances, which were required to be done for the above investment, have been duly made.

Further, the Board has granted an Inter Corporate Deposit (ICD) to Federal-Mogul Sealings India Limited (formerly known as Federal-Mogul Anand Sealings India Limited) (CIN: U29253PN2014 PLC152540) a Company incorporated under the Companies Act, 2013 on September 15, 2014 and is having its registered office at 152/223, At Village Mahalunge, Chakan Talegaon, Road, Tal. Khed Pune, Maharashtra-410501 of Rs. 33,00,00,000 (Rs. Thirty-Three Crores Only), at an interest rate of 8.75% per annum during the financial year. 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 2021-2022, 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 2021-2022, 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 the 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 (Whole-time 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 the 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/index.html>.

#### 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 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. KN 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. Therefore, the Company has incurred **Rs. 118.38 lakhs** on the CSR activities approved by CSR Committee and the Board of Directors.

The activities and initiatives undertaken by the Company during the financial year 2021-22 on CSR activities have been detailed in the Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy on Corporate Social Responsibility and Annual Report on CSR activities are

attached herewith as **Annexure- 4 & 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. 73.31 lakhs for spending on CSR activities during the financial year 2022-23.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Presently, the Board consists of nine (9) 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. Sunit Kapur, Non-Executive 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.

In accordance with Article 109 of the Articles of Association of the Company, Mr. Manish Chadha and Mr. Sunit Kapur are retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

During the year, the Board in its meeting held on 15<sup>th</sup> of December 2021 has re-appointed Mr. Vinod Kumar Hans as the Whole Time Managing Director, Mr. Rajesh Sinha as Whole Time Director and Mr. Manish Chadha as CFO & Whole-Time Director-Finance for a further period of three years, effective from expiry of their respective tenures, subject to the approval of the shareholders in the ensuing Annual General Meeting.

In accordance with the provisions of Section 149 of Companies Act, 2013 and other applicable provisions, Ms. Nalini Jolly has been re-appointed as an Independent Woman Director on the Board for a further period of 5 (five) years with effect from 13<sup>th</sup> August, 2022 till 12<sup>th</sup> August, 2027.

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 the shareholding

in the Company, as stipulated under Secretarial Standard 2 and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is appended as an Annexure to the Notice of the ensuing AGM.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company had re-appointed Mr. Sundareshan Kanakku Chembakaraman Pillai as an Independent Director for a period of three (3) years, effective 16<sup>th</sup> December, 2019 in its Board Meeting dated 8<sup>th</sup> November, 2019. In view of the maximum permissible tenure under the Companies Act, 2013 being 5 (five) years, the tenure of Mr. Pillai was enhanced by the Board from three (3) years to five (5) years in its meeting held on 9<sup>th</sup> February 2022.

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](http://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, 2022 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 31st March 2022. 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 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 2020-21 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 2021-22, the industry produced a total of 22,933,230 vehicles including Passenger Vehicles, Commercial Vehicles, Three-Wheelers, Two-Wheelers and Quadricycles as against production of 22,652,108 vehicles in the financial year 2020-21, registering a growth of +1 percent as compared to the financial year 2020-21.

In line with the overall economy, the automotive industry recovered during the financial year 2021-22. The domestic sale of Passenger Vehicles improved by 13.2 percent in the financial year over the same period last year. The overall Commercial Vehicles segment grew by 16.7 percent in financial year should be 2021-22 as compared to the last financial year. The Medium & Heavy Commercial Vehicle (M&HCVs) and Light Commercial Vehicle segment witnessed a growth of 49.7 percent and 16.7 percent, respectively in financial year should be 2021-22 over the same period last year.

The financial year 2021-22 reflected a growth of 18.9% in domestic sale of Three-Wheeler vehicles as compared to last financial year. Within this segment, Passenger Carrier sale witnessed a growth of 35.6 percent, while goods carrier sales registered a decline of 7.9 per cent.

During the financial year, Two-Wheelers domestic sale registered a de-growth of 10.9 percent over the last financial year. Within the Two-Wheelers segment, sale of scooters and motorcycles recorded a decline of 10.6 percent and 10.3 percent respectively, while sale of Mopeds recorded a decline by 23.3 percent as compared to the last year.

Impact of Covid-19 reduced significantly during the financial year 2021-22. During the financial year, sale in Passenger Vehicle and Commercial Vehicle segments witnessed a growth of 42.9 percent and 83.4 percent respectively.

At the beginning of the financial year the country witnessed a major outbreak of second wave of Covid-19. This time, the

spread was not only limited to urban areas but was also extended to rural India. Many States continued to remain under lockdown in May 2021, thus, impacting lives, economy, and automotive sector. The Government's vaccination drive significantly reduced the impact of third wave of Covid-19.

Global supply chain distortions became apparent in all regions of the world during the year. This was due to supply bottlenecks, particularly for electronic components including semiconductors chips.

### **(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, 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. The Company is inter-alia engaged in the manufacturing and sale of Pistons, Piston Rings, Pins, Valve Seats and guides the performance whereof is as under:

	Rs. In lakhs	
Details of finished goods sold	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Pistons, Piston rings and pistons pins	113,456.52	93,040.22
Valve train and Structural components	14,971.21	12,721.78

### **(d) Outlook**

The automobile sector continues to be cautious. Though the year 2022 started on an optimistic note, auto industry continues to witness challenges emerging from the on-going global geo-political situation viz. Russia- Ukraine war and lockdown in China. Supply chain of parts continues to be a key concern. The auto sector is expected to bounce back but the pace could be slower compared to the previous year. During the financial year 2022-23, the Management is expecting a growth in Indian automobile industry that should auger well for the Company.

The Indian Meteorological Department has forecasted normal monsoon and decent harvesting in agriculture crops, which is a critical factor for the overall economic growth, including the automobile sector. In order to support against the negative consequences caused by the pandemic, 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. However, the auto sector is grappling with rising raw material prices of steel, aluminum, copper and



precious metals and increasing fuel prices which are likely to impact the growth 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 consumers regain confidence and demand for vehicles increases. To remain competitive in the challenging and demanding environment, the benchmark needs to be kept high in anticipation of the stated and unstated need of the 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:

**Pandemic:** Impact on demand due to COVID-19 has emerged as a major business risk.

**Economic slowdown:** Slowdown in the Indian and global economy due to the outbreak of COVID-19, 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 2021-22	FY 2020-21	Explanation to significant change wherever applicable
Debtors Turnover	5.13	4.93	-
Inventory Turnover	7.63	6.07	Better production planning improved inventory holding period
Interest Coverage Ratio	18.05	2.57	Low Volume/mix during the year, due to Auto sector slow down.
Current Ratio	1.77	1.83	-
Debt Equity Ratio	-	-	-
Operating Profit Margin (%)	5.70	0.56	Due to lower business volume and mix impacted the profits during the year.
Net Profit Margin (%)	4.00	0.29	Due to lower business volume and one off impacting profitability
Fixed assets turnover ratio	2.65	2.11	-
Working capital turnover ratio	4.92	4.56	Due to lower business volumes

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

Particulars	Standalone 2022	Standalone 2021	Consolidated 2022	Consolidated 2021
<b>Return on net worth (%)</b>	9.23	0.50	8.96	1.27

#### **(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 salaried and hourly employees (permanent) as on 31<sup>st</sup> March, 2022 stood at 3092.

#### **CONSOLIDATED ACCOUNTS**

The Consolidated Financial Statements of the Company for the financial year 2021-22, 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**

At the 62<sup>nd</sup> Annual General Meeting (AGM) of the Company, Walker Chandiook & Co., LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013), New Delhi were appointed as the Statutory Auditors' as per Sections 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 67<sup>th</sup> AGM of the Company to be held in the calendar year 2022.

The Board in its Meeting dated 8<sup>th</sup> August 2022 has appointed Deloitte Haskins & Sells LLP Registration No:117366W/W-100018 as Statutory Auditor of the Company for the period of 5 years from the conclusion of the ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the calendar year 2027 subject to the approval of the members in the ensuing Annual General Meeting.

The written consent to such appointment and a certificate from Deloitte Haskins & Sells LLP Registration No:117366W/W-100018 have been received to the effect that the appointment is in accordance with the conditions prescribed under Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and they satisfy the criteria specified under Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

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 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, 2023. 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 2022-2023.

#### **ANNUAL SECRETARIAL COMPLIANCE REPORT**

The Annual Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2022 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from Practicing Company Secretary, M/s Surinder Vashishtha & Associates 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 Mr. Surinder Vashishtha, Proprietor of Surinder Vashishtha & Associates, Company Secretary, 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: <https://www.federalmogulgoetzeindia.net/>.

#### **BUSINESS RESPONSIBILITY REPORT**

A Business Responsibility 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.

The composition of Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee 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 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 2021-2022.

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 work place.

**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 and hourly paid employees, as at March 31, 2022 stood at 3092.

**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 machineries to keep them in good condition. 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 improve 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 DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS**

Not Applicable.

**ACKNOWLEDGEMENT**

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

**(Vinod Kumar Hans)**  
Whole-time Managing Director  
DIN: 03328309

**(Khalid Iqbal Khan)**  
Whole-time Director-Legal &  
Company Secretary  
DIN: 05253556

Date: 08<sup>th</sup> August, 2022  
Place: Gurugram

**CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022**
**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, so as 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, 2022, the composition and category of the Board of Directors of the Company was as follow:

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Category</b>
1.	Mr. Krishnamurthy Naga 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 & CFO
5.	Mr. Rajesh Sinha***	Whole-time Director
6.	Mr. K.C. Sundareshan 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. Vinod Kumar Hans in the Board Meeting held on 15<sup>th</sup> December, 2021 was re-appointed as the Whole Time Managing Director of the company for a further term with effect from 01<sup>st</sup> January, 2022, subject to approval of the shareholders at this AGM;

\*\*Mr. Manish Chadha in the Board Meeting held on 15<sup>th</sup> December, 2021 was re-appointed as the CFO & Whole Time Director- Finance of the company for a further term with effect from 05<sup>th</sup> February, 2022, subject to approval of the shareholders at this AGM

\*\*\*Mr. Rajesh Sinha in the Board Meeting held on 15<sup>th</sup> December, 2021 was re-appointed as the Whole Time Director of the company for a further term with effect from 01<sup>st</sup> January, 2022, subject to approval of the shareholders at this AGM;

\*\*\*\*The tenure of Mr. K. C. Sundareshan Pillai was increased from 3 years to 5 years in the Board Meeting of the company held on 09<sup>th</sup> February, 2022, subject to approval of the shareholders at this AGM;

\*\*\*\*\* Ms. Nalini Jolly was re-appointed as an Independent Director of the Company to hold the office for a period of five (5) years, with effect from 13<sup>th</sup> August, 2022 subject to the approval of the shareholders at this AGM.

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 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, 2021 to 31<sup>st</sup> March, 2022:**

During the FY 2021-22, six (6) Board meetings were held as follows: -

<b>Date of Meeting*</b>	<b>Board Strength</b>	<b>No. of Directors Present in Person</b>
09 <sup>th</sup> June, 2021	09	07
28 <sup>th</sup> June, 2021	09	08
12 <sup>th</sup> August, 2021	09	08
11 <sup>th</sup> November, 2021	09	09
15 <sup>th</sup> December, 2021	09	07
09 <sup>th</sup> February, 2022	09	09

**Note:**

\*The Board Meetings during the year 2021-22 were held through audio visual means i.e. through Microsoft TEAMS.

**Information placed before the Board:**

Apart from the items that are required to be placed before the Board for its approval under the statutes, the following are also tabled for Board's Periodic Review/ Information, 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 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 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 judgement 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:**

Mr. Manish Chadha, CFO & Whole-Time Director-Finance and Mr. Sunit Kapur, Non-Executive Director are liable to retire by rotation in the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Mr. Vinod Kumar Hans, Whole-Time Managing Director, Manish Chadha, CFO & Whole-Time Director-Finance, Rajesh Sinha, Whole-Time Director were re-appointed as Whole-time Managing, CFO & Whole-Time Director-Finance & Whole-Time Director respectively of the Company in the meeting of Board of Directors held on 15<sup>th</sup> December, 2021, subject to the approval of the shareholders at this AGM.

The tenure of Mr. K. C. Sundareshan Pillai was increased from 3 years to 5 years in the Board Meeting of the company held on 09<sup>th</sup> February, 2022, subject to approval of the shareholders at this AGM;

Ms. Nalini Jolly was re-appointed as an Independent Director of the Company to hold the office for a period of five (5) years, with effect from 13<sup>th</sup> August, 2022 subject to the approval of the shareholder at this AGM.

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

- (i) Mr. Vinod Kumar Hans, aged about 56 years, has done graduation in Mechanical Engineering from REC Allahabad and post-graduation in Business Management from Birla Institute of Management Technology, New Delhi. He has also undertaken one-year leadership and Executive Management Development program with University of Cranefield UK and Cedep, University of Insead, France, respectively. Mr. Hans has 35 years of rich experience at various positions in the field of Sales, Engineering and Program Management for OE customers, Aftermarket, Corporate Projects, Product Development and Business Process restructuring.
- (ii) Mr. Rajesh Sinha, aged about 53 years, has done Bachelor of Engineering in Mechanical from Bhilai Institute of Technology, Bhilai and Master of Business Administration in Operations from IMT, Ghaziabad. He has over 26 years of experience in Production, IR management, Quality Assurance, VA & VE, Technical Services, Project execution in automotive/automobile industries and has been associated with the Company since February 2007. Prior to joining the Company, Mr. Sinha was Dy. General Manager-Corp. Quality and New Initiatives in Gabriel India Limited.
- (iii) Mr. Manish Chadha, aged about 47 years, is a Member of the Institute of Chartered Accountants of India. He has over 22 years of experience in the areas of Controlling, Plant Finance Operations, statutory reporting and compliances, business analysis, strategic planning, accounts/MIS, financial planning and budgeting, cost control, internal control and system implementation fields. He has been associated with the Company since 2003. Prior to joining the Company, Mr. Chadha was working with Daweoo Motors India Limited as Manager-Finance.
- (iv) Mr. K. C. Sundareshan Pillai, aged about 66 years, has done graduation in Mechanical Engineering from National Institute of Technology, Raipur. Mr. Pillai has also attended various training programmes, including Technical trainings in Europe and U.S. Mr. Pillai has about 35 years of rich experience in steering sales and marketing functions and technical areas with reputed Companies. Presently, Mr. Pillai is holding the position of Managing Director in Triangle Tyre Corporation Ltd. and is responsible for overall operations of the Company.
- (v) Ms. Nalini Jolly, aged about 55 years has worked in reputed organisations for over almost 23 years and has handled positions of increasing responsibilities in the areas of Strategy & Resource Planning, Sales & Business Development, Supply Chain Management, Training & Monitoring, Service Branding & Marketing, Technical Support operations. She has done B. Com (Honours from Jesus and Mary College, Delhi University and PGDM from IMT Ghaziabad.
- (vi) Mr. Sunit Kapur is a Mechanical Engineer from the Punjab University and has also done General Management Programme at CEDEP (INSEAD). Mr. Kapur has been associated with the Company since 1994. He has around 28 years of rich experience in Manufacturing, Engineering, Projects, Operation and General Management. He began his career as Production Manager at the Patiala Plant of the Company and has been instrumental in introduction of various new processes and changes over his tenure of 26 years with the Company. His professional skills and abilities accumulated through intensive on-the-Job and off-the-Job trainings from eminent Global Management and Technical Experts. Mr. Sunit Kapur was Managing Director of the Company during the year 2012-13. Presently, he is Vice President and General Manager – Global Ignition in Tenneco Inc., USA.

**d) 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 2021 to 31 <sup>st</sup> March, 2022 Attendance at		As on 31 <sup>st</sup> March, 2022		
				Number of Directorships of other Indian Companies (Refer Note-1)	Committee Memberships of other Indian Companies (Refer Note-2)	
		Board Meeting (Total Meetings held-06)	Last AGM 27 <sup>nd</sup> Sept., 2021		Member	Chairman
Mr. Krishnamurthy Naga Subramaniam	CNEID	06	Yes	01	01	01
Mr. Vinod Kumar Hans	WTMD	06	Yes	01	01	04
Dr. Khalid Iqbal Khan	WTDL & CS	06	Yes	01	02	00
Mr. Manish Chadha	CFO & FD	06	Yes	01	03	00
Mr. Rajesh Sinha	WTD	06	Yes	01	00	00

Mr. Sunit Kapur	NED	03	No	01	02	00
Mr. K.C. Sundareshan Pillai	NEID	06	Yes	01	01	01
Ms. Nalini Jolly	NEWID	06	Yes	01	02	00
Mr. Stephen Shaun Merry	NED	03	Yes	01	00	00

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

NEWID: 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 31<sup>st</sup> March, 2022:**

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. Krishnamurthy Naga 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. Sundareshan 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 comprises of highly qualified and experienced personalities who possess 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:

Sr. No.	Name of the Director	Core skills/ expertise/ competencies
1.	Mr. Krishnamurthy Naga Subramaniam	Around 35 years of extensive and diversified knowledge and rich experience of Indian Automotive Industry.
2.	Mr. Vinod Kumar Hans	Around 35 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 22 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 26 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	Around 28 years of rich experience in Manufacturing, Engineering, Projects, TPM, Operation, Supply Chain Management and General Management.
7.	Mr. K.C. Sundareshan Pillai	Around 35 years of rich experience in steering sales and marketing functions and technical areas with various companies.
8.	Mr. Stephen Shaun Merry	Around 24 years of experience in various leadership roles during his tenure. He holds over 35 years of rich experience at various positions in the field of Finance, Purchase, Sales & Marketing.
9.	Ms. Nalini Jolly	Around 23 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

### 3. **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 review of 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, 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 and one (01) Non-Executive Director viz. Mr. KCS Pillai, (Non-Executive Independent Director) as the Chairman and Mr. Krishnamurthy Naga Subramaniam (Non-Executive Independent Director), Mr. Sunit Kapur (Non- Executive 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.



### c) Meetings and Attendance

#### Details of Audit Committee Meetings held during the financial year 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022

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 <sup>th</sup> June, 2021	04	-	03
28 <sup>th</sup> June, 2021	04	-	04
12 <sup>th</sup> August, 2021	04	-	04
11 <sup>th</sup> November, 2021	04	-	04
15 <sup>th</sup> December, 2021	04	-	03
09 <sup>th</sup> February, 2022	04	-	04

#### Audit Committee Members Attendance during the financial year 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022

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. Sundareshan Pillai	Chairman	06	06
Mr. Krishnamurthy Naga Subramaniam	Member	06	06
Mr. Sunit Kapur	Member	06	04
Ms. Nalini Jolly	Member	06	06

## 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.

### b) 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)
22 <sup>nd</sup> October, 2021	04	-	04
12 <sup>th</sup> November 2021	04	04	-

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

## **5. NOMINATION AND REMUNERATION COMMITTEE**

At present, the Nomination and Remuneration Committee comprises of Mr. K.C. Sundareshan Pillai (Non-executive Independent Director) as the Chairman, Mr. Krishnamurthy Naga Subramaniam (Non-executive Independent Director), Mr. Sunit Kapur (Non-executive 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.

### **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.

### **b) Meetings and Attendance**

#### **Details of Nomination and Remuneration Committee Meetings held during the financial year 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022**

<b>Date of Meeting</b>	<b>Strength of Committee</b>	<b>No. of Members Present in person</b>	<b>No. of Members Present through conference call (Meeting held through VC/ OVAM)</b>
28 <sup>th</sup> June, 2021	04	-	03
15 <sup>th</sup> December, 2021	04	-	03
09 <sup>th</sup> February, 2022	04	-	04

Name	Designation in the Committee	Total Meetings held	No. of meetings Attended in person/ through conference call (Meeting held through VC/ OVAM)
Mr. K.C. Sundareshan Pillai	Chairman	03	03
Mr. Krishnamurthy Naga Subramaniam	Member	03	03
Mr. Sunit Kapur	Member	03	01
Ms. Nalini Jolly	Member	03	03

#### 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 20<sup>th</sup> May, 2022.

#### 6. DETAILS OF REMUNERATION TO DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Name of Executive Directors	Particulars	Amount (in Rupees)
Mr. Vinod Kumar Hans	- Salaries and Allowances	15,844,465.00
	- Company's Contribution to PF & Superannuation	1,195,040.00
	- Perquisites	39,600.00
	- Management Incentive Plan	4,306,259.00
	<b>Total</b>	<b>21,385,364.00</b>
Mr. Rajesh Kumar Sinha	- Salaries and Allowances	9,267,873.00
	- Company's Contribution to PF & Superannuation	726,000.00
	- Perquisites	
	- Management Incentive Plan	1,501,290.00
	<b>Total</b>	<b>11,495,163.00</b>
Mr. Manish Chadha	- Salaries and Allowances	8,054,325.00
	- Company's Contribution to PF & Superannuation	630,960.00
	- Perquisites	
	- Management Incentive Plan	1,452,779.00
	<b>Total</b>	<b>10,138,064.00</b>
Dr. Khalid Iqbal Khan	- Salaries and Allowances	8,014,247.00
	- Company's Contribution to PF & Superannuation	381,600.00
	- Perquisites	
	- Management Incentive Plan	2,236,488.00
	<b>Total</b>	<b>10,632,335.00</b>

<b>Name of Non-Executive Directors</b>	<b>Particulars</b>	<b>Amount (in Rupees)</b>
Mr. Krishnamurthy Naga Subramaniam	Sitting Fee	11,20,000
Mr. K.C. Sundareshan Pillai	Sitting Fee	11,00,000
Ms. Nalini Jolly	Sitting Fee	8,80,000

**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 among themselves.

**7. 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:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Krishnamurthy Naga 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. Sundareshan Pillai	Member	Non- Executive Independent Director
Ms. Nalini Jolly	Member	Non-Executive Independent Director

\*Dr. Khalid Iqbal Khan, Company Secretary of the Company, has been nominated as the Compliance officer for this purpose.

**• Shareholders' Complaints:**

<b>Number of shareholders' complaints received</b>	<b>Number of shareholders' complaints not solved to the satisfaction of shareholders</b>	<b>Number of pending complaints</b>
06	06	00

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 15<sup>th</sup> March, 2022, through audio visual means 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 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.

## 8. ANNUAL GENERAL MEETINGS

Year	Location	Date & Time	Whether any special resolution passed
64 <sup>th</sup> Annual General Meeting	Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038	19 <sup>th</sup> September 2019	<ul style="list-style-type: none"> <li>- Re-Appointment of Mr. Vinod Kumar Hans (DIN : 03328309) as Whole-Time Managing Director of the Company</li> <li>- Re-appointment of Mr. Rajesh Sinha (DIN: 07358567) as the Whole-Time Director of the Company</li> <li>- Re-Appointment of Mr. Mahendra Kumar Goyal (DIN: 02605616) as an Independent Director of the Company</li> <li>- Re-appointment of Mr. Manish Chadha (DIN: 07195652) as CFO &amp; Finance Director of the Company effective from February 5, 2019</li> </ul>
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. Krishnamurthy Naga Subramaniam (DIN: 00041843) as Independent Director for a Second Term</li> <li>- Re-appointment of Mr. K.C. Sundareshan 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 as Whole-Time Director - Legal &amp; Company Secretary of the Company including terms of appointment.</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 2022. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

## 9. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

M/s Surinder Vashishtha & Associates, Practicing Company Secretaries, 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

<b>Results</b>	<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>
<b>Whether presentations were made to Institutional Investors or to the analysts?</b>	Yes, the Company held Investors' /Analysts' Call on 9 <sup>th</sup> July, 2021, 24 <sup>th</sup> August, 2021, 23 <sup>rd</sup> November, 2021 and 14 <sup>th</sup> February, 2022 during the financial year ended 31 <sup>st</sup> March, 2022

## 11. GENERAL SHAREHOLDER INFORMATION

a. 67 <sup>th</sup> Annual General Meeting:	
- Date and Time	20 <sup>th</sup> September, 2022 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, 2022	Second week of September 2022
- Results for the quarter/half year ending September 30, 2022	Second week of November 2022
- Results for the quarter/period ending December 31, 2022	Second week of February 2023
- Results for the quarter/year ending March 31, 2023	Second week of May 2023
- Annual General Meeting for the financial year ending March 31, 2022	20 <sup>th</sup> September, 2022
d. Book Closure date	13 <sup>th</sup> September, 2022 to 20 <sup>th</sup> September, 2022 (both days inclusive)
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, 5<sup>th</sup> Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400051 <b>(See Note)</b></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 2021-2022 has already been paid in the financial year 2020-2021 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

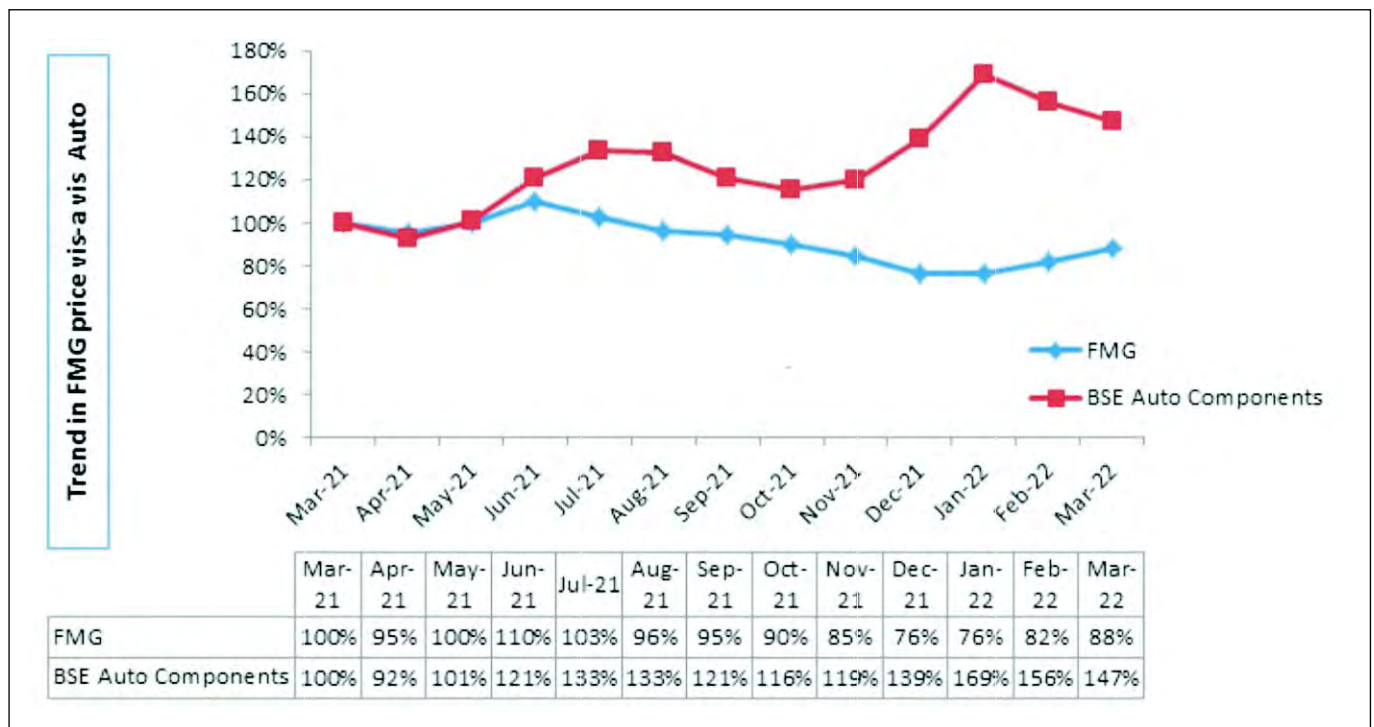
**g. Stock Market Data\***

**Amount in Rupees**

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-21	315.25	257.80	50,375.77	47,204.50	316.00	256.55	15044.35	14151.40
May-21	315.00	283.0	52,013.22	48,028.07	315.30	283.70	15606.35	14416.25
Jun-21	358.20	302.00	53,126.73	51,450.58	358.95	304.80	15915.65	15450.90
Jul-21	324.75	291.65	53,290.81	51,802.73	325.20	291.60	15962.25	15513.45
Aug-21	319.40	256.10	57,625.26	52,804.08	319.60	258.10	17153.50	15834.65
Sep-21	299.65	269.25	60,412.32	57,263.90	299.85	269.30	17947.65	17055.05
Oct-21	286.00	256.00	62,245.43	58,551.14	286.15	256.00	18604.45	17452.90
Nov-21	278.35	230.20	61,036.56	56,382.93	278.80	224.15	18210.15	16782.40
Dec-21	249.00	207.10	59,203.37	55,132.68	248.05	202.35	17639.50	16410.20
Jan-22	244.00	214.00	61,475.15	56,409.63	243.90	214.45	18350.95	16836.80
Feb-22	275.00	217.60	59,618.51	54,383.20	274.00	223.20	17794.60	16203.25
Mar-22	273.25	257.00	58,890.92	52,260.82	273.40	260.10	17559.80	15671.45

\* 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 Auto Components Companies average monthly price considering March 2021 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 63 times during the financial year 2021-22 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, 2022, 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, 2022, 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 31/03/2022

#### A] On the basis of shares held

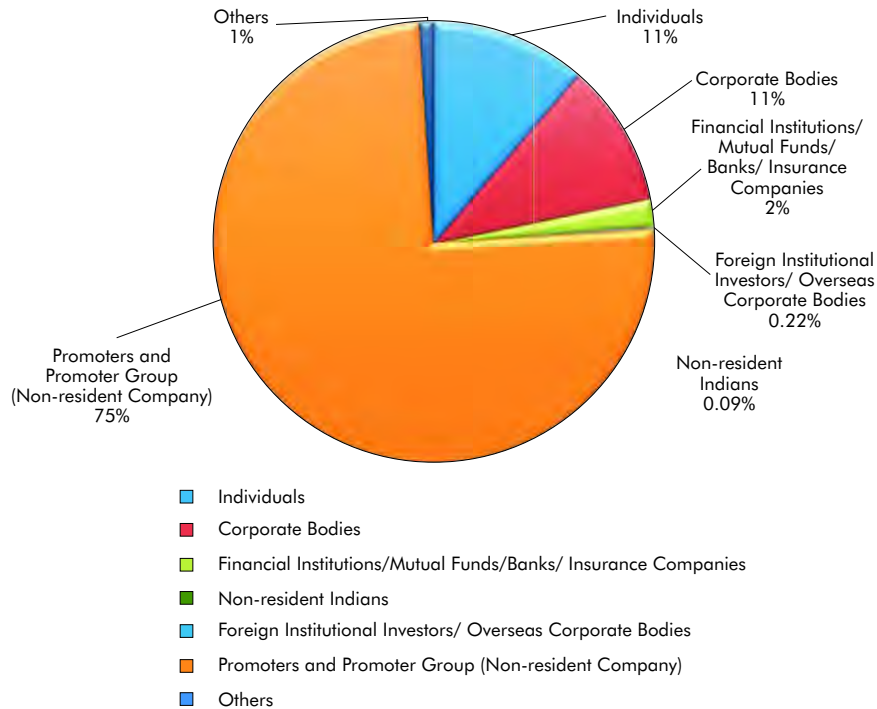
No. of shares	No. of share holders	Percentage to total Shareholders	No. of shares held	Percentage to total shares held
Upto 5000	32001	99.50	5353656	9.62
5001 – 10000	85	0.26	639482	1.15
10001 – 20000	35	0.11	512982	0.92
20001 – 30000	18	0.06	460368	0.83
30001 – 40000	4	0.01	141313	0.25
40001 – 50000	1	0.00	45000	0.08
50001 -100000	9	0.03	657412	1.18
Above 100000	9	0.03	47821917	85.96
<b>TOTAL</b>	<b>32162</b>	<b>100.00</b>	<b>55632130</b>	<b>100.00</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	31534	95.15	6313661	11.34
Corporate Bodies	297	0.90	5836661	10.49
Financial Institutions /Mutual Funds/ Banks/Insurance Companies	8	0.01	1065222	1.91
Non-resident Indians	380	1.15	123960	0.09
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	916	2.76	576122	1.03
<b>TOTAL</b>	<b>33140</b>	<b>100</b>	<b>55632130</b>	<b>100</b>



**Distribution of Shares of Federal- Mogul Goetze (India) Limited  
(As on 31/03/2022)**



**k. Dematerialization of shares and Liquidity**

As on 31<sup>st</sup> March 2022, 99.3069% 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.  
Fax No. : +91 124 4292840  
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: iinvestorgrievance@tenneco.com  
Website: [www.federalmogulgoetzeindia.net](http://www.federalmogulgoetzeindia.net)

**p. Registrar and Share Transfer Agent**

Alankit Assignments Limited  
 'Alankit Heights'  
 4E/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](mailto: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

E-mail ID: [investorgrievance@tenneco.com](mailto: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 (alongwith any revisions thereto during the financial year 2021-22, for all debt instruments of such entity or any fixed deposit programme 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; Outlook: 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 2022.																		
<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>	<p>All applicable compliances were duly met. However, there was a delay in achieving 25% minimum public shareholding. Accordingly the Company paid the following penalty to Stock Exchanges</p> <table border="1"> <thead> <tr> <th>Qtr ended</th> <th>Stock Exchange</th> <th>Penalty</th> <th>Date of Payment</th> </tr> </thead> <tbody> <tr> <td rowspan="2">March' 21</td> <td>BSE</td> <td>3,48,100</td> <td>7.07.21</td> </tr> <tr> <td>NSE</td> <td>3,48,100</td> <td>8.07.21</td> </tr> <tr> <td rowspan="2">June' 21</td> <td>BSE</td> <td>1,53,400</td> <td>18.9.21</td> </tr> <tr> <td>NSE</td> <td>1,53,400</td> <td>18.9.21</td> </tr> </tbody> </table>	Qtr ended	Stock Exchange	Penalty	Date of Payment	March' 21	BSE	3,48,100	7.07.21	NSE	3,48,100	8.07.21	June' 21	BSE	1,53,400	18.9.21	NSE	1,53,400	18.9.21
Qtr ended	Stock Exchange	Penalty	Date of Payment																
March' 21	BSE	3,48,100	7.07.21																
	NSE	3,48,100	8.07.21																
June' 21	BSE	1,53,400	18.9.21																
	NSE	1,53,400	18.9.21																
<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">www.federalmogulgoetzeindia.net</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>	<p>As on date, the Company is in full compliance with the mandatory requirements of SEBI (Listing Obligations &amp; Disclosure Requirements) Regulations, 2015. including the following:</p> <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>
<ul style="list-style-type: none"> <li>Details of Familiarization programme for Independent Directors</li> </ul>	<p><a href="http://federalmogulgoetzeindia.net/web/documents/Details_of_FM_Program1.pdf">federalmogulgoetzeindia.net/web/documents/Details_of_FM_Program1.pdf</a></p>
<ul style="list-style-type: none"> <li>Policy on Related Party Transaction</li> </ul>	<p><a href="http://federalmogulgoetzeindia.net/web/documents/POLICY_ON_RELATED_PARTY_TRANSACTION.pdf">federalmogulgoetzeindia.net/web/documents/POLICY_ON_RELATED_PARTY_TRANSACTION.pdf</a></p>
<ul style="list-style-type: none"> <li>Policy for determining 'material' subsidiaries</li> </ul>	<p><a href="http://federalmogulgoetzeindia.net/web/documents/POLICY_ON_RELATED_PARTY_TRANSACTION.pdf">federalmogulgoetzeindia.net/web/documents/POLICY_ON_RELATED_PARTY_TRANSACTION.pdf</a></p>
<ul style="list-style-type: none"> <li>Disclosure on Commodity price risks or Foreign Exchange risk and hedging activities</li> </ul>	<p>Not Applicable</p>
<ul style="list-style-type: none"> <li>Prevention of insider trading</li> </ul>	<p><a href="http://federalmogulgoetzeindia.net/web/documents/FMGIL-CoC_Insider_trading-12Nov2020.pdf">federalmogulgoetzeindia.net/web/documents/FMGIL-CoC_Insider_trading-12Nov2020.pdf</a></p>
<ul style="list-style-type: none"> <li>Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).</li> </ul>	<p>NA</p>
<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>	<p>NA</p>
<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>number of complaints filed during the financial year</li> <li>number of complaints disposed of during the financial year</li> <li>number of complaints pending as on end of the financial year</li> </ol> </li> </ul>	<p>NIL</p>
<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>	<p>NIL</p>

#### 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:

(Rupees in Lakhs)

Sl. No.	Type of Service	FY 2021-22	
		Standalone	Consolidated
1.	Statutory Audit Fee	27.00	33.83
2.	Limited Reviews	28.24	28.24
3.	Tax Audit Fee	3	4
<b>Total:</b>		<b>58.24</b>	<b>66.07</b>

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, 2022 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  
**Federal-Mogul Goetze (India) Limited**

Vinod Kumar Hans  
**Whole-time Managing Director**  
 DIN: 03328309

Khalid Iqbal Khan  
**Whole-time Director-Legal & Company Secretary**  
 DIN : 05253556

Place: Gurugram  
 Date: 08.08.2022

**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](http://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 31<sup>st</sup> March, 2022 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.

S.No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Krishnamurthy Naga Subramaniam	00041843	30/04/2009
2.	Mr. Vinod Kumar Hans	03328309	01/01/2016
3.	Mr. Sunit Kapur	03435110	11/06/2012
4.	Dr.Khalid Iqbal Khan	05253556	22/05/2015
5.	Mr. Sundareshan Kanakku Chembakaraman Pillai	06846949	16/12/2016
6.	Mr. Manish Chadha	07195652	05/02/2016
7.	Mr. Rajesh Sinha	07358567	01/01/2016
8.	Ms. Nalini Jolly	08520132	13/08/2019
9.	Mr. 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 **SURINDER VASHISHTHA & ASSOICATES**  
COMPANY SECRETARIES

Sd/-  
**SURINDER VASHISHTHA**  
C. P. No. : 12313

Peer Review Certificate No. 1383/2021  
UDIN -A021285D000314424

**Place: Delhi**  
**Date: 13<sup>th</sup> May, 2022**



## ANNEXURE-B

### 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, 2022.

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: 20<sup>th</sup> May 2022

**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>.

**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;
- 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 is 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 day time.
- 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 consuming 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;
- Conservation of energy by upgrading the technology in Treatment Plants like STP, ETP & ACWTP;
- 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;
- Relayouting 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 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, Chillars, 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 Units;
- 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 motors with energy efficient motors;
- 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 many of 10HP Centrifugal Pump with 7.5HP Grundfos Pump.
- Replaced many of 10HP Centrifugal Pump with 7.5 HP Grundfos Pump thus saving energy

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

- The facility uses 90% of Wheeling Energy (Wind/Hydro/Solar Energy) thus in reduction of GHG gases;
- The facility is being upgraded to use of 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 on PNG.

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

Rs. 1,05,00,000/- per annum

**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 to find out any 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.

#### **Piston and Rings:**

The customers are demanding optimized weight, friction reduction & enhanced durability designs, F-M India team successfully applied the following F-M Global technology:

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

#### **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

**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

**3. Import of Technology for the last 5 years**

<b>Technology</b>	<b>Imported from</b>	<b>Year of Import</b>	<b>Status</b>
D-Lite	Germany	2017	Production
Elastoval II	Germany	2017	Production
GDC 60®	Germany	2018	Production
Dura Bowl	Turkey	2019	Production
Piston with bush fitting	Turkey	2019	Production
G91 Alloy	Germany	2020	Production
Ell Piston casting cell	Germany	2021	Development
Gallery Cooled Gasoline Piston	Germany	2021	Production
Low axial height 2nd and LKZ® Oil ring	Germany	2021	Production
Advanced Elasto-oval 2 piston architecture	Germany	2021	Production
Pattern coating on piston skirt	Germany	2022	Development
Lower side sharp edge grinding feature for Compn. rings	Germany	2022	Development
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

**4.The expenditure incurred on Research and Development (R&D): - Rs. 50,96,900/-.**

**C. FOREIGN EXCHANGE EARNINGS & OUTGO**

**1. Foreign exchange earned: Rs. 18,344.75 Lacs**

**2. Foreign exchange utilized: Rs. 5,796.92 Lacs**

**ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN  
THE BOARD'S REPORT FOR FINANCIAL YEAR 2021-22  
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 endeavor 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:

<b>Sl. No.</b>	<b>Name of Director</b>	<b>Designation/ Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>	<b>Number of meetings of CSR Committee attended during the year</b>
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://federalmogulgoetzeindia.com/web/index.html>**

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	2022-23	0	7.78
	TOTAL	0	7.78

6. Average net profit of the Company as per Section 135(5): **Rs. 55.30 Crores**
7. (a) Two percent of average net profit of the company as per Section 135(5): **Rs. 1,10,60,413/-**  
 (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. 1,10,60,413/-**
8. (a) 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
118.38 lakhs	Nil	NA	NA	Nil	NA

- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(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. lakhs)	(7) Mode of implementation Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Ghar Angna School	Promotion of Education	Yes	Haryana	Guru-gram	18.24	Yes	Direct	NA
2.	Prayas	Promotion of Education	Yes	Delhi	Delhi	6.05	Yes	Direct	NA
3.	Procurement of Oxygen Concentrators	Preventive Health Care	Yes	Haryana	Guru-gram	57.64	Yes	Medihelp Foundation	NA
4.	School Uniform for Deaf & Blind Students for both seasons (Summer & Winter) - Society for Welfare of handicapped	Promotion of Education	Yes	Punjab	Patiala	5.61	Yes	Direct	NA

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. lacs)	Mode of implementation Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
5.	Water Conservation Project at Society for Welfare of handicapped	Rural Development Project	Yes	Punjab	Patiala	2.75	Yes	Direct	NA
6.	Setting up of PSA Unit thru Dallas	Preventive HealthCare	Yes	Haryana	Bhiwadi	15.38	No	Medihelp Foundation	NA
7.	Setting up of Motor parts Training workshop & Silai Centre at Remand House	Employment Enhancing Employment Skills	Yes	Karnataka	Bangalore	4.22	No	Manav Charities	CSR 0000 5312
8.	Silai centre at Manav Charities	Women Empowerment	Yes	Karnataka	Bangalore	1.52	No	Manav Charities	CSR 0000 5312
<b>TOTAL</b>						<b>111.40</b>			

- (d) Amount spent in Administrative Overheads: As per 8(b) above 6.98 lakhs  
(e) Amount spent on Impact Assessment, if applicable: NA  
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 118.38 lakhs  
(g) Excess amount for set off, if any: Rs. 7.78 lakhs

Sl. No.	Particular	Amount (in Rs. Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	110.60
(ii)	Total amount spent for the Financial Year	118.39
(iii)	Excess amount spent for the financial year [(ii)-(i)]	7.78
(iv)	Surplus arising out of the CSR projects or programmes or Activities of the previous financial years, if any	0.0
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	7.78

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) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in Rs.)	(7) Amount spent on the project in the reporting Financial Year (in Rs)	(8) Cumulative amount spent at the end of reporting Financial Year (in Rs.)	(9) Status of the project- Completed /Ongoing.
1.								
2.								
3.								
	<b>TOTAL</b>							

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 : **NIL**

**(asset-wise details).**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- 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): **NA**

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

**Sd/-**

**Mr. Vinod Kumar Hans**

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

**20<sup>th</sup> May, 2022**



**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 lakhs)

<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 2021 to 31 <sup>st</sup> March 2022
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	12,909.56
6.	Total assets	15,873.61
7.	Total Liabilities	15,873.61
8.	Investments	Nil
9.	Turnover (Net of excise/GST)	10,236.01
10.	Profit before taxation	1,328.04
11.	Provision for taxation	352.55
12.	Profit after taxation	975.49
13.	Proposed Dividend	625
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 : There is no associate and joint venture company as on 31<sup>st</sup> March 2022.**

**Date: 20<sup>th</sup> May 2022**

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2022

[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 Federal-Mogul Goetze (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, 2022 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, 2022 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, 1992 and 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, 2009 – **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) Regulations, 2014– **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 Debt 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, 2009 - 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, 1998- 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.

The Listing Agreements entered into by the Company with BSE 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, vide Notice for 'Offer for Sale' dated 23rd April, 2021, IEH FMGI Holdings LLC divested 1,10,76,201 Equity shares of the Company constituting 19.91% of the issued and paid-up equity share capital of the Company and consequently, the public shareholding in the Company increased to 25% in compliance with the requirement of minimum public shareholding as mandated under Rules 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 read with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 notice is 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 are carried through. Dissenting member's 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 observations, corrections and compliances were advised to the Company during the audit which was 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 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.

**Place : NEW DELHI**  
**Date:12-05-2022**

**For DEEPIKA GERA, COMPANY SECRETARIES**  
**DEEPIKA GERA**  
**FCS No. 3531**  
**C P No: 7487**  
**UDIN NO. F003531D000307912**

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.

Place : NEW DELHI  
Date:12-05-2022

**For DEEPIKA GERA, COMPANY SECRETARIES**  
**DEEPIKA GERA**  
**FCS No. 3531**  
**C P No: 7487**  
**UDIN NO. F003531D000307912**

**CERTIFICATE ON CORPORATE GOVERNANCE****ANNEXURE – 8**

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, 2022 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 abovementioned Listing Regulations.

We state that in respect of Investors grievances received during the year ended 31<sup>st</sup> March, 2022, 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 SURINDER VASHISHTHA & ASSOICATES**

COMPANY SECRETARIES

**SURINDER VASHISHTHA****C.P. No. : 12313****Peer Review Certificate No. 1383/2021****UDIN No. A021285D000314490****Place: Delhi****Date: 13<sup>th</sup> May, 2022**

**BUSINESS RESPONSIBILITY REPORT**  
[Regulation 34 (2) (f)]

**SECTION A : GENERAL INFORMATION ABOUT THE COMPANY**

<b>S.No.</b>	<b>Particulars</b>	<b>Details</b>								
1.	Corporate Identity Number (CIN) of the Company:	L74899DL1954PLC002452								
2.	Name of the Company:	Federal-Mogul Goetze (India) Limited								
3.	Registered address:	DLF Prime Towers, 10 ground Floor, F- 79 & 80, Okhla Phase-I, New Delhi - 110020								
4.	Website:	www.federalmogulgoetzeindia.net								
5.	E-mail ID:	<a href="mailto:khalid.khan@tenneco.com">khalid.khan@tenneco.com</a>								
6.	Financial Year reported:	1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022								
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	Automobile sector								
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet):	<table border="0"> <thead> <tr> <th>Product</th> <th>NIC Code</th> </tr> </thead> <tbody> <tr> <td>(i) Piston rings</td> <td>2811</td> </tr> <tr> <td>(ii) Pistons</td> <td>2811</td> </tr> <tr> <td>(iii) Pins</td> <td>2811</td> </tr> </tbody> </table>	Product	NIC Code	(i) Piston rings	2811	(ii) Pistons	2811	(iii) Pins	2811
Product	NIC Code									
(i) Piston rings	2811									
(ii) Pistons	2811									
(iii) Pins	2811									
9.	Total number of locations where business activity is undertaken by the Company									
	(a) Number of International Locations (Provide details of major 5):	Nil								
	(b) Number of National Locations:	3 manufacturing locations, Registered office, Head Office, 2 sales offices and 13 depots								
10.	Markets served by the Company - Local/State/National/International	All India								

**SECTION B : FINANCIAL DETAILS OF THE COMPANY**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Paid up Capital (INR)	Rs. 556,321,300/-
2.	Total Turnover (INR)	Rs. 132,197.67 Lakhs
3.	Total profit after taxes (INR)	Rs. 5,275.34 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%)	Total spending on CSR activities was Rs. 118.38 lakhs, which is 2% of the average profits of last 3 years.
5.	List of activities in which expenditure in (4) above has been in Incurred: -	List of CSR activities is detailed in the Annual Report of CSR activities, Annexure to the Board's Report.

### SECTION C: OTHER DETAILS

S.No.	Particulars	Details
1.	Does the Company have any Subsidiary Company/ Companies	Yes, the Company has one subsidiary company, viz. Federal-Mogul TPR (India) Limited
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company ? If yes, then indicate the number of such subsidiary company(s)	No
3.	Do any other entity / entities (e.g.suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company, If yes, then indicate the percentage of such entity / entities ? [Less than 30%, 30-60%, More than 60%]	No

### SECTION D: BR INFORMATION

S.No.	Particulars	Details
1.	Details of Director/Directors responsible for BR	
	(a) Details of the Director/ Director responsible for implementation of the BR policy/ policies:	<ol style="list-style-type: none"> <li><b>DIN Number:</b> 03328309</li> <li><b>Name:</b> Mr. Vinod Kumar Hans</li> <li><b>Designation:</b> Whole-Time Managing Director</li> </ol>
	(b) Details of the BR head:	<ol style="list-style-type: none"> <li><b>DIN Number:</b> 03328309</li> <li><b>Name:</b> Mr. Vinod Kumar Hans</li> <li><b>Designation:</b> Whole-Time Managing Director</li> <li><b>Telephone number:</b> +91 124-4784530</li> <li><b>E-mail ID:</b> <a href="mailto:vinod.hans@tenneco.com">vinod.hans@tenneco.com</a></li> </ol>
	Principle-wise (as per NVGs) BR Policy/policies	

**(a) Details of compliance (Reply in Y/N)**

<b>No. Questions</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
1. Do you have a policy/ policies for....	Y*	Y	Y	Y	Y	Y	N	Y	Y
2. Is the policy being formulated in consultation with the relevant stakeholders@ ?	N	N	N	N	N	N	N	N	N
3. Does the policy conform to any national/ international standards ? If yes, Specify ?	Y	Y	Y	Y	Y	Y	N	Y	Y
4. Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ by CEO/ appropriate Board Director ?	N	N	N	N	N	N	N	Y	N
5. Does the company have a specified committee of the Board/Director/ Official to over see the implementation of the policy ?	Y**	Y**	Y**	Y**	Y**	Y**	N	Y	Y**
6. Indicate the link for the policy to be viewed online ?	Y#	Y#	Y#	Y#	Y#	Y#	N	Y##	Y#
7. Has the policy been formally communicated to all relevant internal and external stakeholders ?	Y	Y	Y	Y	Y	Y	N	Y	Y
8. Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	N	Y	Y
9. Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies ?	Y	Y	Y	Y	Y	Y	N	Y	Y
10. Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency ?	Y	Y	Y	N	Y	Y	N	N	N
(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick upto 2 options)								Not applicable	

\* It forms part of code of conduct of the Company.

\*\* The concerned HODs are responsible for implementation of the particular policy.

@ The Policies have been derived and adopted from the Global policies and are aligned as per local requirements to safeguard the interests of all its stakeholders.

# [https://www.tenneco.com/docs/default-source/code-of-conduct/tenneco-code-of-conduct-external-english-2021.pdf?sfvrsn=2617c96e\\_2](https://www.tenneco.com/docs/default-source/code-of-conduct/tenneco-code-of-conduct-external-english-2021.pdf?sfvrsn=2617c96e_2)

## <http://federalmogulgoetzeindia.com/web/documents/CSR%20Policy.pdf>



3.	Governance related to BR	
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	Annually
(b)	Does the Company publish a BR or Sustainability Report ? What is the hyper link for viewing this report ? How frequently it is published ?	Yes, the BRR 2021 is part of the Annual Report, which is available on the website of the Company. It is available at: <a href="http://federalmogulgoetzeindia.net/web/index.html">http://federalmogulgoetzeindia.net/web/index.html</a> and is published annually.

## SECTION E : PRINCIPLE - WISE PERFORMANCE

S.No.	Particulars	Details
<b>Principle 1</b>		
1	Does the policy relating to ethics, bribery and corruption cover only the company ? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others ?	The Company's Code of conduct & Integrity policy include its policy on ethics, bribery and corruption covering the Company and all its vendors, contractors and consultants. Other significant documents that define the standard of behavior of the Company, include affirmation from the vendors/ consultants not to violate any applicable bribery laws and declaration of the code of conduct.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management If so, provide details there of, in a bout 50 words or so.	During 2021-22, six (6) complaints were received from the shareholders which were satisfactorily resolved and that no shareholder complaint was pending at the end of the year. No complaint was received from other stakeholders.

### Principle 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities. Piston, Piston Rings and Piston Pins.

The Company has:

#### 1a. Piston:

- Introduction of G91 alloy for highly rated engines
- Development of optimised weight pistons
- Introduction of 'Friction reduction' skirt coating like AV19 and AV21
- Introduction of 'Dura bowl' technology in mass production
- Introduction of pin hole bush technology for highly rated engines
- Introduction of 'Elastoval II' architecture pistons for gasoline engines
- Piston analysis - Introduction of 'PISDYN' 'FM Power' and 'FM Shape' softwares

#### 1b. Piston pin:

- Introduction of DLC coating on pin outer diameter for friction reduction

#### 1c. Piston rings:

- Introduction of PVD coated rings for friction reduction
- Introduction of LKZ® and LKR® technology for friction and oil consumption reduction
- Development of low axial height rings for friction and oil consumption reduction
- Development of 3 piece oil ring with anti-sticking feature
- Introduction of GDC 60® coating

- Introduction of Cr. Side face coating for CTOH applications
- Development of F16 material
- Introduction of PRiME 3D® analysis for piston ring design optimisation

2. Does the company have procedures in place for sustainable sourcing (including transportation) ?

(a) If yes, what percentage of your inputs was sourced sustainably Also, provide details thereof, in about 50 words or so.

The Company selects the suppliers through a set of procedures, which are followed globally. Suppliers / vendors have to sign and follow the Code of Conduct and Basic Working Conditions Policy for Suppliers posted at [https://www.tenneco.com/docs/default-source/supplier-documents/fmpg-gl001a-basicworkingconditions-codeofconduct-suppliercertform.pdf?sfvrsn=58a1f12\\_0](https://www.tenneco.com/docs/default-source/supplier-documents/fmpg-gl001a-basicworkingconditions-codeofconduct-suppliercertform.pdf?sfvrsn=58a1f12_0). Supplier Manual is also posted at [https://www.tenneco.com/docs/default-source/supplier-documents/srm03-01-2019asdr1.pdf?sfvrsn=b16d89e7\\_0](https://www.tenneco.com/docs/default-source/supplier-documents/srm03-01-2019asdr1.pdf?sfvrsn=b16d89e7_0) which applies to all suppliers. In the opinion of the Management, the Company's sourcing is sustainable.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors ?

The Company also engages local manufacturing suppliers located near its plants as needed and has a supplier development team that ensures monitoring of their performance based on the Company's standards and supporting them to improve performance by training, site visits, audits, etc.

4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of a recycling\* of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the Company has adopted reuse, reduce and recycle methodologies where the natural resources (water) are being reused, waste generation has been reduced and waste is being reused back in process by converting them into useful resources.

Also, the Company has a mechanism to re-cycle the pistons and Cast Iron (C.I.) rings waste generated in the process. With regard to pistons, approximately 97% of the waste generated in the process is being recycled and with regard to C.I. rings approximately 70% of the waste generated in the process is being recycled. We do not get used products back from customers for recycling.

For waste, the company recycles 10-15% waste and waste reduction programs as under:

- 1) Used oil being treated inhouse and reused back in the process / machine .
- 2) Used coolant being treated inhouse and reused back in the process / machine
- 3) Hard chrome PVD targets are being melted inhouse and reused back in the process
- 4) Entire quantity of aluminum chips generated during the process is being processed through aluminum chip melting process and reused back in the process
- 5) Entire quantity of cast iron rejects generated during the process is being processed through aluminum chip melting process and reused back in the process
- 6) Treated water from the effluent treatment plant and sewage treatment plant is being used for gardening.
- 7) Disposal of waste to cement industries for coprocessing to avoid land fill
- 8) Reduction in water consumption by process improvements
- 9) Reduction in hazardous waste generation by process improvements
- 10) Energy and greenhouse gas reduction by adopting environmental friendly products and processes

### Principle 3

- |   |         |
|---|---------|
| 1. Please indicate the Total number of employees -  | 5025    |
| 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis -  | 1933    |
| 3. Please indicate the Number of permanent women employees -  | 41      |
| 4. Please indicate the Number of permanent employees with disabilities -  | 12      |
| 5. Do you have an employee association that is recognized by management -   | Yes     |
| 6. What percentage of your permanent employees are members of this recognized employee association? -   | 70.90 % |
| 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. |         |

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

Sl. No.	Particulars	Bhiwadi Plant	Bangalore Plant	Patiala Plant	Corporate Office
1.	Permanent Employees	100%	71%	92%	50%
2.	Permanent Women Employees	100%	75%	100%	50%
3.	Casual/Temporary/Contractual Employees	100%	100%	100%	50%
4.	Employees with Disabilities	Nil	100%	NA	NA

### Principle 4

- Has the company mapped its internal and external stakeholders? Yes/No  
Yes, the Company has mapped its internal and external stakeholders. The Company considers stakeholders, both internal and external as an integral part of its business. Members are also requested to refer the CSR report forming part of Directors Report.
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.  
Yes, Under the CSR programmes/ projects the Company has been working for the upliftment of the less privileged/ under privileged members of the society.
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.  
The Company has taken various initiatives for the upliftment of under privileged section of society in various fields, such as, education, women empowerment, vocational trainings etc. Please also refer the CSR Report forming part of the Directors' Report.

### Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's manual on "Code of Conduct" and "Basic Working Conditions Policy" supports the protection of human rights within the realm of its influence and is committed to the highest ethical standards. This Code of Conduct and Basic Working Conditions policy (the "Code of Conduct") represents the principles guiding the business practices of the Company. The Code of conduct is applicable on the Company, including its subsidiary companies.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

NIL

### Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Yes, the Company extends the principle to Group companies.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The company has been taking initiatives to use alternate sources of energy, such as, wind energy, solar power & installation of LED lights.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes. The Company has a team of experts to prevent any Environmental Hazard and look after the environmental issues, if any. The Company regularly conducts meetings with the experts to know the potential environmental risks, if any. Currently there are no potential concerns.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company supports cleaning the environmental, however, the Company is not engaged in the projects for which clean development mechanism is adopted. The Company is supporting the Environment by way of using Wind and Solar energy.

5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, there are various projects going on across the plants such as energy reduction/ energy efficiency programs, use of renewable energy, etc. but there is no hyperlink available.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

### Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of the American Chamber of Commerce and the Automotive Component Manufacturers Association of India (ACMA) only.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No, the Company has not advocated/lobbied through the above association for the advancement or improvement of public good. However, the Company fulfills its social responsibilities by engaging non-profit organizations. The CSR activities of the Company may be referred in the CSR Report forming the part of the Directors' Report.

### Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company is engaged in various corporate social responsibility activities viz. Promotion of Education, Preventive Health care, Rural Development Project, Employment Enhancing Vocational Skills, Women Empowerment directly or through various NGO's.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The programmes/projects are undertaken both through in-house team and recognized NGOs.

3. Have you done any impact assessment of your initiative?

Yes, there has been positive impact of the initiatives being taken by the Company.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company's direct contribution to community development projects was Rs. 116.82 Lakhs during the last financial year. A report on CSR activities forms part of the attached Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company during the year 2020-21, worked on Promotion of Education, Preventive Health care, Rural Development Project, Employment Enhancing Vocational Skills, Women Empowerment directly and/or through NGO's having specialization in the respective fields. The Board of Directors of the Company has constituted a CSR Committee, which reviews and approves the CSR projects in line with its CSR policy and the applicable provisions of Companies Act, 2013 and/or the rules framed, thereunder, from time to time. Each of the Projects as approved by the CSR Committee is regularly monitored so as to ensure that the community is actually benefited from each of the said projects.

### Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Nil

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The required information as per applicable laws is displayed on the product label.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Nil

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, the Company follow IATF quality standards and as per the guidelines customer satisfaction index is part of the Quality records.

**Date: 20<sup>th</sup> May, 2022**

## ANNEXURE-10

### 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	38.67
2	Dr. Khalid Iqbal Khan	Whole-time Director - Legal & Company Secretary	18.46
3	Mr. Manish Chadha	CFO & Finance Director	18.81
4	Mr. Rajesh Sinha	Whole-time Director	21.48

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

(ii) Calculation is on the basis of Cost to the Company. 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	9.1
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 – 3092

(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.

Date: 20<sup>th</sup> May 2022

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 (In Rs.)	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 to be mentioned</b>											
1.	Mr. Vinod Kumar Hans	Whole-time Managing Director	2,13,85,364/-	Contractual	B.E(Mech), PGDBM	35	1-Jul-08	56	GKN Driveline (India) Ltd.	Nil	No
2.	Mr. Sreenivasan N V	Information System Director-India	1,28,06,036/-	Contractual	DEE, B.Tech, Fast Track Business Management Program	32	11-Jul-11	51	Areva T & D India Ltd.	Nil	No
3	Mr. Rajesh Sinha	Campus Director	1,14,95,163/-	Contractual	BE'91, MBA'96	30	02-Feb-07	53	High Tech Gears	Nil	No
4	Mr. Khalid Iqbal Khan	Whole time Director & Company Secretary	1,06,32,335/-	Contractual	B. Com'89, LL.B'94, CS'92 Ph.D'13	29	02-Nov-09	54	Good Year India Ltd.	Nil	No
<b>B.</b>	<b>Employed for a part of the year and in receipt of remuneration not less than Rs. 8,50,000 per month</b>										
NIL											

**Notes:**

- 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).
- All the above Appointments are contractual.

**(Amount in Rupees)**

<b>Name of TOP 10 employees of the Company in terms of remuneration drawn as on 31<sup>st</sup> March 2022</b>	
<b>Sl. No.</b>	<b>Name of Employee</b>
<b>Total Gross remuneration as on 31<sup>st</sup> March 2022</b>	
1.	Vinod Kumar Hans
2.	Sreenivasan N V
3.	Rajesh Sinha
4.	Khalid Iqbal Khan
5.	Manish Chadha
6.	Sanjeev Sharma
7.	Rakesh Kumar
8.	Jasbir Singh
9.	SS Srinivasa
10.	Sridhar Ramakrishna
	<b>2,13,85,364</b>
	<b>1,28,06,036</b>
	<b>1,14,95,163</b>
	<b>1,06,32,335</b>
	<b>1,01,38,064</b>
	<b>93,13,869</b>
	<b>72,06,712</b>
	<b>66,52,232</b>
	<b>63,73,836</b>
	<b>56,14,671</b>

Date: 20<sup>th</sup> May 2022

## Independent Auditors' Report

**To the Members of Federal Mogul Goetze (India) Limited**

**Report on the Audit of the Standalone Financial Statements**

### Opinion

1. We have audited the accompanying standalone financial statements of Federal-Mogul Goetze (India) Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matter

4. 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Provisions and contingent liabilities relating to litigations</b></p> <p>As disclosed in note 36 to the standalone financial statements, the Company is involved in various direct taxes, indirect taxes, labour laws and other litigations ('litigations') that are pending with various tax authorities and courts. The Company has recognised provisions aggregating to ₹ 1,605.66 lacs and disclosed contingent liabilities of ₹ 5,482.38 lacs related to these litigations.</p> <p>Whether a liability is recognised as a provision or disclosed as a contingent liability in the financial statements is inherently judgmental dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgements in respect to these demands against the Company.</p>	<p><b>Our audit procedures in relation to the provisions and contingent liabilities relating to litigations, included, but were not limited to, the following:</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management process for: <ul style="list-style-type: none"> <li>- identification of legal and tax matters initiated against the Company;</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 <ul style="list-style-type: none"> <li>- measurement of amounts involved.</li> </ul> </li> </ul> </li> <li>• Evaluated the design and tested the operating effectiveness of key controls around above process.</li> </ul> <p>Test of details included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the nature of litigations pending against the Company and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Company.</li> <li>• Assessed the Company's assumptions and estimates in respect of litigations, including the liabilities or provisions recognised or contingent liabilities disclosed in the financial statements. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts;</li> <li>• Assessed management's conclusions through discussions held with the in house legal counsel and understanding precedents set in similar cases;</li> </ul>



The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around the various litigations the determination of the need for creating a provision in the financial statements is inherently subjective/judgmental and therefore is considered to be a key audit matter in the current year

- Obtained and evaluated the responses in the independent confirmations obtained from the consultants representing the Company before the various authorities;
- For cases represented by consultants, reviewed each attorney's response obtained as above 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 financial statements;
- Involved auditor's experts 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.

We have determined that there are no other key audit matters to communicate in our report.

#### **Information other than the Financial Statements and Auditor's Report thereon**

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act 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 of 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.

8. In preparing the financial statements, the Board of Directors are 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

10. 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 Standards on Auditing 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.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 management;
- Conclude on the appropriateness of Board of Directors' 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; and

- 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.

12. 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.

13. 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.

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

#### **Report on Other Legal and Regulatory Requirements**

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;
- 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;
- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
- f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
- g) 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, as detailed in note 36 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
- iv.
  - a. The management has represented that, to the best of its knowledge and belief as disclosed in note 49 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or

securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The management has represented that, to the best of its knowledge and belief as disclosed in note 49 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the

understanding, whether recorded in writing or otherwise, that the Company shall, whether 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 such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiok & Co. LLP**  
**Chartered Accountants**  
Firm's Registration No.:  
**001076N/N500013**

**Ankit Mehra**  
Partner  
**Membership No.: 507429**  
**UDIN: 22507429AJHEZZ9342**  
Place: Gurugram  
Date: 20<sup>th</sup> May 2022

**Annexure A referred to in Paragraph 16 of the Independent Auditor’s Report of even date to the members of Federal-Mogul Goetze (India) Limited on the standalone financial statements for the year ended 31 March 2022**

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 report that:

**Annexure A**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stock lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have substantially been confirmed by third parties.
- (b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks based on the security of current assets during the year. The quarterly returns, in respect of the working capital limits have been filed by the Company with such banks and such returns are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.
- (iii) (a) The Company has provided loans or advances in the nature of loans and guarantee to 1 company and several other parties as per details given below:

Particulars	Guarantees (₹ in lakh)	Loans (₹ in lakh)	Advances in nature of loans (₹ in lakh)
Aggregate amount during the year - Others (including fellow subsidiary)	137.91	3,300.00	101.68
Balance outstanding as at balance sheet date - Others (including fellow subsidiary)	482.95	3,322.07	78.07

- (b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided and terms and conditions of all loans and advances in the nature of loans are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not made any security or granted any loans or advances in the nature of loans, secured or unsecured to firms or Limited Liability Partnerships (LLPs) during the year.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and principal and interest amount is not due for repayment currently.
- (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.
- (e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.
- (f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services 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, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

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	16.54	-	1995-1996 and	1996-1997 Honorable High Court, Delhi
Income tax Act, 1961	Income tax	432.49	-	1997-98	Honorable High Court, Delhi
Income tax Act, 1961	Income tax	2.39	-	2007-08	Assessing officer, Delhi
Income tax Act, 1961	Income tax	1,748.04	-	2010-11	Income Tax Appellate Tribunal and Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	2.07	-	2011-12	Assessing officer, Delhi
Income tax Act, 1961	Income tax	27.89	3.47	2013-14	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	66.21	-	2014-15	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	846.72	-	2015-16	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	530.92	142.15	2016-17	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	14.78	4.38	2017-18	Commissioner of Income Tax (Appeals)
Central excise Act, 1944	Excise Duty	6.96	-	1998-99	Joint Commissioner of Central Excise, Patiala Punjab
Central excise Act, 1944	Excise Duty	3.32	-	2001-02	Additional Commissioner of Central Excise, Patiala Punjab
Central excise Act, 1944	Excise Duty	1.84	-	1997-98	Joint Commissioner of Central Excise, Patiala Punjab
Central excise Act, 1944	Excise Duty	1.36	-	2003-04	Joint Commissioner of Central Excise, Patiala Punjab
Central excise Act, 1944	Excise Duty	1.18	-	1995-96	Joint Commissioner of Central Excise, Patiala Punjab
Central excise Act, 1944	Excise Duty	1.76	-	1997-99	Asstt. Commissioner of Central Excise, Patiala Punjab

Central excise Act, 1944	Excise Duty	93.99	7.05	2014-2017	Joint Commissioner, CGST Commissionerate, Alwar Rajasthan
Central excise Act, 1944	Excise Duty	282.45	-	Nov-2013 to Jun-2017	Additional Director General, DGGSTI, New Delhi
Central excise Act, 1944	Excise Duty	241.00	-	2014-15	Additional Director General- DGGSTI, New Delhi
Central excise Act, 1944	Excise Duty	10.84	-	2017	Asstt. Commissioner, GST, Bhiwadi
Finance Act, 1994	Service Tax	86.44	25.00	2006-2007	Commissioner of Central Excise (Appeals), Bangalore
Finance Act, 1994	Service Tax	113.70	4.60	May 2005 to July 2005	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994	Service Tax	5.81	0.58	2008 to 2011	Commissioner of Central Excise (Appeals-II), Bangalore
Finance Act, 1994	Service Tax	194.00	14.60	Oct 2008 to March 2013	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994	Service Tax	16.61	-	2009-10	Joint Commissioner, Jaipur, Rajasthan
Finance Act, 1994	Service Tax	3.55	-	2009	Astt. Commissioner, Bhiwadi, Rajasthan
Finance Act, 1994	Service Tax	13.02	-	2006-07 / 2007-08	Joint. Commissioner, Jaipur
Finance Act, 1994	Service Tax	13.56	-	2010-2011	Joint. Commissioner, Jaipur
Finance Act, 1994	Service Tax	28.70	-	2011-2012	Joint. Commissioner, Jaipur
Finance Act, 1994	Service Tax	314.73	327.47	2008-12	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	0.09	-	May 2008 -Dec 2008	Additional Commissioner, Jaipur
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,
West Bengal Vat Act 2003	Value Added Tax	1.76	-	2006-07	Kalkota, Asstt. Commissioner
West Bengal Vat Act 2003	Value Added Tax	1.18	-	2006-07	Kalkota, Asstt. Commissioner
West Bengal Vat Act 2003	Value Added Tax	1.87	-	2004-05	Kalkota, Asstt. Commissioner
West Bengal Vat Act 2003	Value Added Tax	1.56	-	2001-02	Kalkota, Asstt. Commissioner
Uttaranchal Vat Act 2005	Value Added Tax	33.38	33.38	2010-11	Uttarakhand High Court, Nainital
Gujarat Vat Act 2003	Value Added Tax	568.25	56.83	2012-13	Gujarat, DC Appeals
Gujarat Vat Act 2003	Value Added Tax	39.28	3.93	2012-13	Gujarat, DC Appeals
Uttar Pradesh Vat Act, 2008	Value Added Tax	4.03	-	2014-15	Uttar Pradesh ADC Ghaziabad
Goods and Services tax 2017	Goods and Services tax	5.19	-	2017-18	Deputy Commissioner, Patiala

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.  
(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.  
(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.  
(c) The whistle blower complaints received by the Company during the year, as shared with us by the management have been considered by us while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.  
(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.  
Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management 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 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) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For Walker Chandio & Co LLP**

Chartered Accountants

**Firm's Registration No.: 001076N/N500013**

**Ankit Mehra**

Partner

Membership No.: 507429

UDIN: 22507429AJHEZZ9342

Place : Gurugram

Date : 20<sup>th</sup> May 2022

**Annexure B to the Independent Auditor's Report of even date to the members of Federal Mogul Goetze (India) Limited on the standalone financial statements for the year ended 31 March 2022**

**Annexure B**

**Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of Federal-Mogul Goetze (India) Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance note on the Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by The Institute of Chartered Accountants of India (the "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 the Company's business, including adherence to the 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 Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial

controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

4. 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 includes obtaining an understanding of such internal financial controls, 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.

5. 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**

6. A company's internal financial controls 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 controls with reference to financial statements include 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**

7. 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. 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 controls 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**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note issued by the ICAI.

**For Walker Chandio & Co LLP  
Chartered Accountants**

Firm's Registration No.:  
**001076N/N500013**

**Ankit Mehra**

Partner

Membership No.: 507429

UDIN: 22507429AJHEZZ9342

Place: Gurugram  
Date: 20<sup>th</sup> May 2022



**Federal-Mogul Goetze (India) Limited**  
**Standalone Balance Sheet as at 31 March 2022**

*(All amounts in Rs. Lacs, unless otherwise stated)*

	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	47,417.04	49,648.69
Capital work-in-progress	3(a)	3,448.86	2,116.31
Right-of-use assets	3(a)	1,158.19	1,285.03
Intangible assets	3(b)	75.88	143.91
Financial assets			
- Investments	4	665.54	517.43
- Other financial assets	5	1,788.61	1,834.21
Deferred tax assets (net)	14	-	679.19
Income-tax assets (net)	6	1,341.73	722.41
Other non-current assets	7	2,331.64	1,141.66
		<b>58,227.49</b>	<b>58,088.84</b>
<b>Current assets</b>			
Inventories	8	17,326.88	17,338.48
Financial assets			
- Trade receivables	9	25,849.54	25,739.71
- Cash and cash equivalents	10	12,364.21	12,970.89
- Other financial assets	5	4,221.58	1,145.04
Other current assets	7	2,302.27	2,093.10
		<b>62,064.48</b>	<b>59,287.22</b>
<b>TOTAL ASSETS</b>		<b>1,20,291.97</b>	<b>1,17,376.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	5,563.21	5,563.21
Other equity	12	75,549.17	70,168.93
		<b>81,112.38</b>	<b>75,732.14</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Lease liabilities	16	830.50	892.97
Provisions	13	3,166.07	8,275.60
Deferred tax liabilities (net)	14	94.35	-
		<b>4,090.92</b>	<b>9,168.57</b>
<b>Current liabilities</b>			
Financial liabilities			
- Lease liabilities	16	62.47	68.26
- Trade payables			
- total outstanding dues of micro enterprises and small enterprises	15	1,614.26	1,452.66
- total outstanding dues of creditors other than micro enterprises and small enterprises	15	29,057.42	26,362.14
- Other financial liabilities	17	780.89	786.63
Other current liabilities	18	1,860.73	2,166.26
Provisions	13	1,712.90	1,639.40
		<b>35,088.67</b>	<b>32,475.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,20,291.97</b>	<b>1,17,376.06</b>

The above Standalone Balance Sheet should be read in conjunction with the accompanying notes  
This is the Standalone Balance Sheet referred to in our report of even date

**For Walker Chandiook & Co LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Ankit Mehra**

Partner

Membership No.: 507429

**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: 20<sup>th</sup> May 2022

**Khalid Iqbal Khan**

Whole Time Director- Legal & Company Secretary

DIN : 05253556



**Federal-Mogul Goetze (India) Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**

(All amounts in Rs. Lacs, unless otherwise stated)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	19	<b>1,32,197.67</b>	1,08,685.54
Other income	20	<b>2,235.59</b>	2,371.05
<b>Total income</b>		<b>1,34,433.26</b>	<b>1,11,056.59</b>
<b>Expenses</b>			
Cost of materials consumed	21	<b>49,443.90</b>	36,313.98
Purchases of stock-in-trade	22	<b>1,700.25</b>	1,410.18
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	<b>764.98</b>	1,822.32
Employee benefits expense	24	<b>31,625.36</b>	28,926.06
Finance costs	25	<b>424.59</b>	242.22
Depreciation and amortisation expense	26	<b>8,105.76</b>	7,958.60
Other expenses	27	<b>35,271.29</b>	30,051.73
<b>Total expenses</b>		<b>1,27,336.13</b>	<b>1,06,725.09</b>
<b>Profit before exceptional item and tax</b>		<b>7,097.13</b>	4,331.50
Exceptional item	36(b)	-	4,275.00
<b>Profit before tax</b>		<b>7,097.13</b>	<b>56.50</b>
<b>Tax expense</b>			
Current tax (including earlier years)	29	<b>1,083.53</b>	1,454.56
Deferred tax	29	<b>738.26</b>	(1,474.68)
Total tax expense		<b>1,821.79</b>	(20.12)
Profit for the year		<b>5,275.34</b>	76.62
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the post employment defined benefit plans (gain)		<b>(140.18)</b>	(324.91)
B (ii) Income tax relating to items that will not be reclassified to profit or loss		<b>35.28</b>	81.77
Total other comprehensive income (net of tax)		<b>(104.90)</b>	(243.14)
Total comprehensive income for the year		<b>5,380.24</b>	319.76
Earnings per equity share (of ₹ 10 each)	28		
Basic (₹)		<b>9.48</b>	0.14
Diluted (₹)		<b>9.48</b>	0.14

The above Standalone Statement of Profit and Loss should be read in conjunction with the accompanying notes. This is the Standalone Statement of Profit and Loss referred to in our report of even date.

**For Walker Chandiook & Co LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Ankit Mehra**

Partner  
Membership No.: 507429

Place: Gurugram  
Date: 20<sup>th</sup> May 2022

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

**Vinod Kumar Hans**

Whole Time Managing Director  
DIN : 03328309

**Khalid Iqbal Khan**

Whole Time Director- Legal & Company Secretary  
DIN : 05253556

**Manish Chadha**

Chief Finance Officer & Finance Director  
DIN : 07195652

**Federal-Mogul Goetze (India) Limited**  
**Standalone Cash flow statement for the year ended 31 March, 2022**  
*(All amounts in Rs. Lacs, unless otherwise stated)*

	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flow from operating activities</b>		
Profit before tax	7,097.13	56.50
<b>Adjustments for:</b>		
Depreciation and amortisation expense	8,105.76	7,958.60
Exceptional item	-	4,275.00
Loss on sale/discard of property, plant and equipment (net)	221.83	140.42
Allowance for expected credit loss and doubtful advances	97.13	54.81
Excess provision no longer required written back	(172.37)	(285.87)
Provision for warranties	8.48	14.77
Bad debts/advances written off	30.33	8.86
Interest income	(334.67)	(173.85)
Dividend income	(295.80)	(443.70)
Interest expense	424.59	242.22
Unrealised foreign exchange loss/(gain) (net)	(22.09)	105.15
Notional interest on investments	10.10	-
<b>Operating profit before working capital changes</b>	<b>15,170.42</b>	<b>11,952.91</b>
<b>Movements in working capital:</b>		
(Increase) in trade/other receivables	(184.87)	(7,531.66)
Decrease in inventories	11.60	1,104.91
Decrease in other current and non-current financial assets	213.24	75.74
(Increase) in other current and non-current assets	(302.97)	(925.86)
(Decrease) in other current and non-current financial liabilities	(14.58)	(28.80)
(Decrease)/increase in other current and non-current liabilities	(312.50)	1,351.82
(Decrease) in current and non-current provisions	(4,904.32)	(104.51)
Increase in trade payables	3,029.25	8,350.75
<b>Cash flow from operating activities post working capital changes</b>	<b>12,705.27</b>	<b>14,245.30</b>
Income tax paid (net)	(1,702.84)	(1,544.23)
<b>Net cash generated from operating activities</b>	<b>11,002.43</b>	<b>12,701.07</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work-in-progress)	(7,777.78)	(4,724.40)
Proceeds from sale of property, plant and equipment	59.60	27.45
Movement in other bank balances (net)	27.54	1,926.39
Purchase of investments	(797.33)	(0.49)
Proceeds from sale of investments	2.53	-
Interest received	352.84	158.46
Dividend received	295.80	443.70
Inter corporate deposit given	(3,300.00)	(2,200.00)
Inter corporate deposit received back	-	2,200.00
<b>Net cash used in investing activities</b>	<b>(11,136.80)</b>	<b>(2,168.89)</b>
<b>C. Cash flows from financing activities</b>		
Inter corporate deposit taken	-	2,200.00
Inter corporate deposit repaid	-	(2,200.00)
Repayment of lease liabilities	(142.67)	(198.71)
Interest paid	(329.64)	(232.50)
<b>Net cash used in financing activities</b>	<b>(472.31)</b>	<b>(431.21)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>(606.68)</b>	<b>10,100.97</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>12,970.89</b>	<b>2,869.92</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>12,364.21</b>	<b>12,970.89</b>
<b>Cash and cash equivalents as per above comprise of the following (refer note no 10)</b>		
	Year ended 31 March 2022	Year ended 31 March 2021
With banks - on current account	5,314.48	6,960.53
Fixed deposits with original maturity less than 3 months	7,049.73	6,010.36
	<b>12,364.21</b>	<b>12,970.89</b>

The above Standalone Cash Flow Statement should be read in conjunction with the accompanying notes.

This is the Standalone Cash flow statement referred to in our report of even date

The Standalone Cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flow'.

**For Walker Chandiook & Co LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Ankit Mehra**

Partner

Membership No.: 507429

Place: Gurugram

Date: 20<sup>th</sup> May 2022

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

**Vinod Kumar Hans**

Whole Time Managing Director

DIN : 03328309

**Khalid Iqbal Khan**

Whole Time Director- Legal & Company Secretary

DIN : 05253556

**Manish Chadha**

Chief Finance Officer & Finance Director

DIN : 07195652



**Federal-Mogul Goetze (India) Limited**  
**Standalone Statement of changes in equity as at 31 March 2022**  
*(All amounts in Rs. Lacs, unless otherwise stated)*

Particulars	Balance as at 01 April 2020	Change in equity share capital during the year	Balance as at 31 March 2021	Change in equity share capital during the year	Balance as at 31 March 2022
<b>A) Equity share capital</b>	<b>5,563.21</b>	<b>-</b>	<b>5,563.21</b>	<b>-</b>	<b>5,563.21</b>

Particulars	Reserves and surplus				
	Capital reserve	Capital redemption reserve	Securities premium	Retained earnings	Total
<b>Balance as at 1 April 2020</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>42,041.88</b>	<b>69,849.17</b>
Additions during the year:					
Profit for the year	-	-	-	76.62	76.62
Other Comprehensive Income for the year ended Remeasurements of the post employment defined benefit plans gain (net of tax)	-	-	-	243.14	243.14
<b>Balance as at 31 March 2021</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>42,361.64</b>	<b>70,168.93</b>
Additions during the year:					
Profit for the year	-	-	-	5,275.34	5,275.34
Other Comprehensive Income for the year ended Remeasurements of the post employment defined benefit plans gain (net of tax)	-	-	-	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>75,549.17</b>

The above Standalone statement of Changes in Equity should be read in conjunction with the accompanying notes. This is the Standalone statement of changes in equity referred to in our report of even date.

**For Walker Chandio & Co LLP**  
**Chartered Accountants**  
 Firm's Registration No.: 001076N/N500013

**Ankit Mehra**  
 Partner  
 Membership No.: 507429

Place: Gurugram  
 Date: 20<sup>th</sup> May 2022

**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

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

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 1. Corporate 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 two/three/four wheeler 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 Bombay Stock Exchange.

### Statement of significant accounting policies

#### 2.1 a) 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 financial statements are authorised, have been considered in preparing these standalone financial statements.

#### 2.2 Recent accounting pronouncements

On 23 March 2022, the Ministry of Corporate Affairs ('MCA') amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

##### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

##### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

##### Ind AS 109 – Annual improvements to Ind AS

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

##### Ind AS 106 – Annual improvements to Ind AS

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

#### 2.3 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 read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2022 were authorised and approved for issue by the Board of Directors on 20 May 2022.

#### 2.4 Summary of Significant Accounting Policies

##### a) Overall consideration

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

##### *Basis of preparation*

The financial statements have been prepared on going concern basis in accordance with 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.

##### b) 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;
- 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 standalone financial statements for the year ended 31 March 2022

- 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.

### c) 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.

### d) 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

### 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 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 a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

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

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022

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.

### **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 (amortisation)*

The cost of capitalised 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 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 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 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 2022

### j) 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. 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. Investments in equity instruments of subsidiaries– Investments in equity instruments of subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

#### **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.

### k) Fair Value of financial instrument

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal Market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.



**Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022**

**l) 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.

**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.

**m) 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.
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.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022

- 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 profit and loss account.

### n) 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 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 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 fair value consideration received or receivable, 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 (refer note).

#### *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.

#### ii) Job Work:

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

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022

- iii) Interest:  
Interest income is recorded on accrual basis using the effective interest rate (EIR) method
- iv) Dividends:  
Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.
- v) Commission:  
Commission income is accrued when due, as per the agreed terms.
- vi) Export Benefits/Incentives:  
Export entitlements under the Duty Entitlement Pass Book (DEPB) Scheme/ Duty Drawback scheme are recognised 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.
- vii) Management support charges:  
Income from management support charges is recognised as per the terms of the agreement based upon the services completed.
- viii) 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.

### o) 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.

### p) Foreign currency transactions

#### *Functional and presentation currency*

The financial statements are presented in Indian Rupee ('INR') 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.

### q) Retirement and other employee benefits

- (i) Provident fund contributions are charged to profit and loss account, when contributions paid/payable are due to "Goetze India Limited Provident Fund Trust", administered by the trustees and to the Regional Provident Fund Commissioners. The Company accrues for the deficit in the Provident Fund trust as per the books of accounts of the Trust.
- (ii) Gratuity liability under the Payment of Gratuity Act is accrued on the basis of an actuarial valuation made at the end of each 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 other comprehensive income in the year in which such gains or losses are determined.
- (iii) Short term compensated absences are provided for based on estimates. Long term compensation liability for leave encashment 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 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 standalone financial statements for the year ended 31 March 2022

(iv) Superannuation Benefit

The Company has superannuation obligation administered with Life Insurance Corporation of India (LIC). Contributions to the defined contribution scheme are charged to profit and loss account when contributions paid/ payable are due to such fund. There are no other obligations other than the contribution payable to the respective trusts.

(v) 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 statement of profit and loss during the period in which the employee renders the related service.

**r) Income taxes**

Tax expense recognised in the statement of profit and loss comprises of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

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 in India.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (including Minimum Alternate Tax ('MAT') credit entitlement) or deductible temporary difference 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 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.

Tax expense relating to items recognised in OCI or directly in equity is recognised outside profit or loss (in OCI or equity).

**s) 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.

**t) 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.

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.

## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022

### u) Cash and cash equivalents

Cash and cash equivalents 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.

### v) Segment reporting policies

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. 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.

### w) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

The actual results are likely to differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

#### *Significant management judgements*

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**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.

**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.

**Contingent liabilities** - 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.

**Provision for warranties** – 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 warranties and guarantees. However, the actual future outcome may be different from this judgement.

#### *Significant estimates*

**Recoverability of advances/receivables** - At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**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 2022

(All amounts in Rs. Lacs, unless otherwise stated)

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

	Freehold land	Building	Furniture and fittings and office equipmen	Plant and machinery	Vehicles	Total	Right-of-use assets (ROU)	Capital work-in-progress
<b>Gross carrying amount</b>								
Opening gross carrying amount as on 01 April 2020	1,485.16	12,210.71	1,853.89	1,25,201.33	428.95	1,41,180.04	720.16	3,602.49
Additions/transfers	-	215.18	18.12	5,686.27	-	5,919.57	988.85	2,989.09
Disposals/adjustments	-	(127.45)	(23.04)	(1,620.02)	(0.40)	(1,770.91)	(10.19)	(4,475.27)
<b>Closing gross carrying amount as on 31 March 2021</b>	<b>1,485.16</b>	<b>12,298.44</b>	<b>1,848.97</b>	<b>1,29,267.58</b>	<b>428.55</b>	<b>1,45,328.70</b>	<b>1,698.82</b>	<b>2,116.31</b>
<b>Gross carrying amount</b>								
Opening gross carrying amount as on 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	2,116.31
Additions/transfers	-	1,169.72	13.13	4,763.78	29.52	5,976.15	-	6,122.80
Disposals/adjustments	-	(534.60)	(47.90)	(1,649.73)	(21.86)	(2,254.09)	-	(4,790.25)
<b>Closing gross carrying amount as on 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>3,448.86</b>
<b>Accumulated depreciation</b>								
Opening accumulated depreciation as on 01 April 2020	-	5,833.66	1,341.59	82,113.04	310.15	89,598.44	236.14	
Depreciation charge during the year	-	388.98	83.78	7,181.43	29.50	7,683.69	177.65	
Disposals/adjustments	-	(133.95)	(13.70)	(1,454.09)	(0.38)	(1,602.12)	-	
<b>Closing accumulated depreciation as on 31 March 2021</b>	<b>-</b>	<b>6,088.69</b>	<b>1,411.67</b>	<b>87,840.38</b>	<b>339.27</b>	<b>95,680.01</b>	<b>413.79</b>	
<b>Accumulated depreciation</b>								
Opening accumulated depreciation as on 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 on 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>Net carrying amount as on 31 March 2021</b>	<b>1,485.16</b>	<b>6,209.75</b>	<b>437.30</b>	<b>41,427.20</b>	<b>89.28</b>	<b>49,648.69</b>	<b>1,285.03</b>	<b>2,116.31</b>
<b>Net carrying amount as on 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>3,448.86</b>

#### Note:

1. Refer to note no. 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
2. There is no property plant & equipments which are pledged or under lien.

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 3(b). Intangible assets

	Software	Total intangible assets
<b>Gross carrying amount</b>		
Opening gross carrying amount as on 01 April 2020	109.16	109.16
Additions	204.08	204.08
Disposals	-	-
<b>Closing gross carrying amount as on 31 March 2021</b>	<b>313.24</b>	<b>313.24</b>
<b>Gross carrying amount</b>		
Opening gross carrying amount as on 01 April 2021	313.24	313.24
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount as on 31 March 2022</b>	<b>313.24</b>	<b>313.24</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation as on 01 April 2020	72.07	72.07
Amortisation charge during the year	97.26	97.26
<b>Closing accumulated amortisation as on 31 March 2021</b>	<b>169.33</b>	<b>169.33</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation as on 01 April 2021	169.33	169.33
Amortisation charge during the year	68.03	68.03
<b>Closing accumulated amortisation as on 31 March 2022</b>	<b>237.36</b>	<b>237.36</b>
<b>Net carrying amount as on 31 March 2021</b>	<b>143.91</b>	<b>143.91</b>
<b>Net carrying amount as on 31 March 2022</b>	<b>75.88</b>	<b>75.88</b>

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

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	3,448.59	0.27	-	-	3,448.86
Project temporarily suspended	-	-	-	-	-

As at 31 March 2021	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	1,424.76	633.01	58.54	-	2,116.31
Project temporarily suspended	-	-	-	-	-

3(d) The Company does not have any capital work-in-progress that has exceeded its cost compared to its original plan or whose completion is overdue.

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 4. Investments

	As at 31 March 2022	As at 31 March 2021
<b>(i) Investment in debentures of other entity, unquoted</b>		
71,760 Compulsorily convertible debentures (previous year: NIL debentures) of ₹ 1000 each of AMPSolar Technology Two Private Limited.	135.58	-
<b>(ii) 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 of Federal-Mogul TPR (India) Limited.	510.00	510.00
<b>(iii) Investment in equity shares of other entity, unquoted</b>		
49,000 Equity shares (previous year : 74,263 equity shares) of ₹ 10 each fully paid in Vyshali Energy Private Limited	4.90	7.43
797,341 Equity shares (previous year : NIL equity shares) of ₹ 10 each fully paid in AMP Solar Technology Two Private Limited	15.06	-
<b>(iv) Unquoted equity shares #</b>		
3,889,600 (previous year: 3,889,600) equity shares of ₹ 5 each, fully paid in GI Power Corporation Limited.	-	-
	<b>665.54</b>	<b>517.43</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 2022		As at 31 March 2021	
	Non current	Current	Non current	Current
<b>Unsecured, considered good</b>				
Margin money deposits - pledged with government authorities	536.61	-	523.55	-
Security deposits*	1,252.00	42.19	1,269.24	57.74
Export incentive receivable	-	244.03	-	506.81
Earnest money deposits	-	10.83	-	10.01
Fixed deposits with original maturity more than 12 months	-	-	41.42	-
Other receivables#	-	3,924.53	-	570.48
	<b>1,788.61</b>	<b>4,221.58</b>	<b>1,834.21</b>	<b>1,145.04</b>

Refer note no 30 for fair value disclosures in respect of financial assets measured at amortised cost and refer note no 31 for financial risk management.

\* The company does not have loans which are either credit impaired or where there is significant increase in credit risk.

# During the year company has granted Inter Corporate Deposit (ICD) of ₹ 3300 lacs to Federal Mogul Anand Sealings India Limited for tenure of 1 (one) year.



## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 6. Income-tax assets

	As at 31 March 2022	As at 31 March 2021
Income-tax assets		
Advance taxes paid (net of provision for tax)	1,341.73	722.41
	<b>1,341.73</b>	<b>722.41</b>

### 7. Other assets

	As at 31 March 2022		As at 31 March 2021	
	Non current	Current	Non current	Current
Capital advances (unsecured, considered good)	<b>729.67</b>	-	265.31	-
<b>Advances other than capital advances:</b>				
Unsecured, considered good	-	<b>859.87</b>	-	779.84
Unsecured, credit impaired	-	<b>2.12</b>	-	2.12
Less: Provision for doubtful advances	-	<b>(2.12)</b>	-	(2.12)
	-	<b>859.87</b>	-	779.84
Prepaid expenses	<b>735.76</b>	<b>973.23</b>	12.63	850.35
Paid to government authorities under protest	<b>866.21</b>	-	863.72	-
Other receivable	-	<b>469.17</b>	-	462.91
	<b>2,331.64</b>	<b>2,302.27</b>	<b>1,141.66</b>	<b>2,093.10</b>

### 8. Inventories (Valued at lower of cost and net realizable value)

	As at 31 March 2022	As at 31 March 2021
Raw materials and components (includes stock in transit of ₹ 808.83 lacs (previous year ₹ 500.21 lacs))	<b>3,191.33</b>	2,487.58
Work-in-progress	<b>5,110.67</b>	4,506.93
Finished goods	<b>6,389.48</b>	7,745.83
Traded goods	<b>10.12</b>	22.49
Stores and spares (includes stock in transit of ₹ 86.45 lacs (previous year ₹ 59.06 lacs))	<b>2,625.28</b>	2,575.65
	<b>17,326.88</b>	<b>17,338.48</b>

Note : The cost of inventories recognised as an expense includes ₹ 713.24 lacs (previous year ₹ 312.61 lacs) in respect of write-downs of inventory to net realisable value. The same has been included in note no. 21, 22 and 23.

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 9. Trade receivables

	As at 31 March 2022	As at 31 March 2021
Secured, considered good	379.10	393.67
Unsecured, considered good	25,551.58	25,420.24
Unsecured, significant increase in credit risk	268.98	205.72
	<b>26,199.66</b>	<b>26,019.63</b>
Less: Allowances for expected credit loss	(350.12)	(279.92)
	<b>25,849.54</b>	<b>25,739.71</b>

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 no. 31 for Allowance for expected credit loss..
- (3) Refer note no. 37 for balances due from related party.

#### 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	1,646.43	570.02	55.40	7.18	25,930.68
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	155.37	53.36	60.25	268.98
(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>

#### Trade receivables ageing schedule as at 31 March 2021

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	18,834.23	5,035.64	1,300.04	577.83	56.99	9.18	25,813.91
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	205.72	205.72
(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>18,834.23</b>	<b>5,035.64</b>	<b>1,300.04</b>	<b>577.83</b>	<b>56.99</b>	<b>214.90</b>	<b>26,019.63</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 10. Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
<b>a) Cash and cash equivalents</b>		
Balances with scheduled banks:		
- Current accounts	5,314.48	6,960.53
- Fixed deposits with original maturity less than 3 months	7,049.73	6,010.36
	12,364.21	12,970.89

### 11. Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Authorised shares</b>		
8,00,00,000 (previous year: 8,00,00,000) equity shares of ₹ 10 each.	8,000.00	8,000.00
	8,000.00	8,000.00
<b>Issued, subscribed and fully paid-up shares</b>		
5,56,32,130 (previous year: 5,56,32,130) equity shares of ₹ 10 each.	5,563.21	5,563.21
	5,563.21	5,563.21

(a) There is no movement in equity share capital during the current year and previous years.

#### (b) Right/restriction attached to equity shares.

The Company has only one class of equity shares having par value of ₹ 10 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/ Ultimate Holding Company and/ or their subsidiaries/ associates

	31 March 2022		31 March 2021	
	No.	% Holding	No.	% holding
Equity shares of Rs.10/- fully paid				
Federal Mogul Holding Limited, Mauritius, the Holding company	3,34,08,581	60.05%	3,34,08,581	60.05%
Federal Mogul Vermögensverwaltung 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.

	As at 31 March 2022			As at 31 March 2021		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% holding during the year
Federal Mogul Holding Limited, Mauritius	3,34,08,581	60.05%	-	3,34,08,581	60.05%	-
Federal Mogul Vermögensverwaltung GMBH	83,06,873	14.93%	-	83,06,873	14.93%	-

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(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*	As at 31 March 2022		As at 31 March 2021	
	No.	% holding	No.	% holding
Equity shares of ₹ 10- fully paid				
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) IEH FMGI Holdings LLC	-	-	1,10,84,844	19.93%
d) Rajasthan Global Securities Private Limited	44,29,933	7.96%	-	-

\*The above information is furnished as per the shareholder register at the year end.

(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.

### 12. Other equity

Particulars	Capital reserve	Capital redemption reserve	Securities premium reserve	Retained earnings	Total
<b>Balance as at 1 April 2020</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>42,041.88</b>	<b>69,849.17</b>
Profit for the year	-	-	-	76.62	76.62
Items of other comprehensive income recognised directly in retained earnings:					
Remeasurements of the post employment defined benefit plans gain (net of tax)	-	-	-	243.14	243.14
<b>Balance as at 31 March 2021</b>	<b>56.55</b>	<b>1,000.00</b>	<b>26,750.74</b>	<b>42,361.64</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 tax)	-	-	-	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>47,741.88</b>	<b>75,549.17</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 previous 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.

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 13. Provisions

	31 March 2022		31 March 2021	
	Non Current	As at Current	Non Current	As at Current
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note no 39)	1,804.08	-	2,532.17	-
Provision for compensated absences	1,209.42	259.81	1,365.72	217.11
	<b>3,013.50</b>	<b>259.81</b>	<b>3,897.89</b>	<b>217.11</b>
Provision for regulatory matters (refer note (a) below)	152.57	1,453.09	4,377.71	1,415.62
Provision for warranties (refer note (a) below)	-	-	-	6.67
	<b>152.57</b>	<b>1,453.09</b>	<b>4,377.71</b>	<b>1,422.29</b>
	<b>3,166.07</b>	<b>1,712.90</b>	<b>8,275.60</b>	<b>1,639.40</b>

#### Note (a)

Movement of provision for regulatory and warranties (also refer note no 43)	31 March 2022			31 March 2021		
	Regulatory matters		Warranty	Regulatory matters		Warranty
	Non current	Current	Current	Non current	Current	Current
Opening balance	4,377.71	1,415.62	6.67	114.66	1,402.42	-
Provision made during the year	91.47	1,103.90	-	4,293.39	95.68	6.67
Utilised during the year	(4,275.00)	(1,066.43)	(6.67)	-	(82.48)	-
Finance expense on unwinding of provision	(41.61)	-	-	(30.34)	-	-
Closing balance	<b>152.57</b>	<b>1,453.09</b>	<b>-</b>	<b>4,377.71</b>	<b>1,415.62</b>	<b>6.67</b>

### 14. Deferred tax (assets)/liabilities (net)

	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
Others	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>

#### Deferred tax liabilities

Property, plant and equipment and intangible assets on account of difference in written down value	2,291.99	(489.44)	-	1,802.55
	2,291.99	(489.44)	-	1,802.55

<b>Net deferred tax (assets)/liabilities</b>	<b>(679.19)</b>	<b>738.26</b>	<b>35.28</b>	<b>94.35</b>
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## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

	Opening balance as on 1 April 2020	Recognised in statement of profit & loss	Recognised in OCI	Closing balance as on 31 March 2021
<b>Deferred tax assets</b>				
Provision for employees benefits	1,155.58	(38.14)	(81.77)	1,035.67
Allowance for expected credit loss and doubtful advances	63.47	7.51	-	70.98
Provision for regulatory matters	295.53	1,081.40	-	1,376.93
Others	191.96	295.64	-	487.60
	<b>1,706.54</b>	<b>1,346.41</b>	<b>(81.77)</b>	<b>2,971.18</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment and intangible assets on account of difference in written down value	2,420.26	(128.27)	-	2,291.99
	<b>2,420.26</b>	<b>(128.27)</b>	<b>-</b>	<b>2,291.99</b>
<b>Net deferred tax liabilities/(assets)</b>	<b>713.72</b>	<b>(1,474.68)</b>	<b>81.77</b>	<b>(679.19)</b>

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

### 15. Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Dues of micro enterprises and small enterprises (refer note no 42 for details of dues to micro and small enterprises)	1,614.26	1,452.66
Dues of creditors other than micro enterprises and small enterprises (including acceptances)	29,057.42	26,362.14
	<b>30,671.68</b>	<b>27,814.80</b>

#### Trade payables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Micro Enterprises and Small Enterprises	1,614.26	-	-	-	1,614.26
(ii) Others	28,970.46	53.85	13.34	19.77	29,057.42
(iii) Disputed dues — Micro Enterprises and Small Enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

#### Trade payables ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro Enterprises and Small Enterprises	1,452.66	-	-	-	1,452.66
(ii) Others	25,971.70	358.83	1.88	29.73	26,362.14
(iii) Disputed dues — Micro Enterprises and Small Enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Refer note no 37 for related party balances.

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 16. Lease liabilities

	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Lease liabilities (refer note no 38)	<b>830.50</b>	<b>62.47</b>	892.97	68.26
	<b>830.50</b>	<b>62.47</b>	<b>892.97</b>	<b>68.26</b>

### 17. Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Payables to capital creditors	<b>334.65</b>	339.38
Deposits from dealers	<b>379.10</b>	393.67
Interest accrued on borrowings	<b>16.17</b>	17.51
Interest accrued on security deposits	<b>50.97</b>	36.07
	<b>780.89</b>	<b>786.63</b>

### 18. Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Advance from customers	<b>254.73</b>	222.10
Statutory liabilities	<b>1,591.41</b>	1,940.06
Other current liabilities	<b>14.59</b>	4.10
	<b>1,860.73</b>	<b>2,166.26</b>

### 19. Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Revenue from operations</b>		
Sale of goods	<b>1,28,427.73</b>	1,05,762.00
<b>Other operating revenue</b>		
Job work income	<b>1,459.11</b>	1,350.99
Export incentives	<b>142.54</b>	354.94
Scrap sales	<b>2,168.29</b>	1,217.61
<b>Revenue from operations</b>	<b>1,32,197.67</b>	<b>1,08,685.54</b>

Refer note no. 41 for the disclosure in relation to Ind AS 115

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 20. Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on		
- Fixed deposits with banks	199.17	105.02
- Others	135.50	68.83
Management support income	664.25	712.71
Dividend income on investment in subsidiary	295.80	443.70
Commission income	451.26	401.67
Foreign exchange fluctuation (net)	42.13	-
Excess provision no longer required written back	172.37	285.87
Miscellaneous income	275.11	353.25
	<b>2,235.59</b>	<b>2,371.05</b>

### 21. Cost of material consumed

	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock	1,987.37	2,052.25
Add: purchases	50,647.86	36,249.10
Less: closing stock	(3,191.33)	(1,987.37)
<b>Raw material consumption</b>	<b>49,443.90</b>	<b>36,313.98</b>

### 22. Purchases of stock-in-trade

	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of stock-in-trade	1,700.25	1,410.18
	<b>1,700.25</b>	<b>1,410.18</b>

### 23. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Opening stock</b>		
Work-in-progress	4,506.93	5,525.75
Finished products	7,745.83	8,556.81
Trading goods	22.49	15.01
	<b>12,275.25</b>	<b>14,097.57</b>
<b>Less: closing stock</b>		
Work-in-progress	5,110.67	4,506.93
Finished products	6,389.48	7,745.83
Trading goods	10.12	22.49
	<b>11,510.27</b>	<b>12,275.25</b>
	<b>764.98</b>	<b>1,822.32</b>



## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 24. Employee benefits expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	26,930.25	24,547.40
Contribution to provident and other funds	1,490.39	1,438.30
Gratuity expense (refer note no. 39)	728.09	717.17
Staff welfare expenses	2,476.63	2,223.19
	<b>31,625.36</b>	<b>28,926.06</b>

### 25. Finance cost

	Year ended 31 March 2022	Year ended 31 March 2021
Interest		
- to banks	25.68	41.74
- to others*	398.91	200.48
	424.59	242.22

\*including interest on intercompany deposits (refer note 37)

### 26. Depreciation and amortisation expense (refer note no 3)

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipments	7,910.89	7,683.69
Depreciation of right-of-use assets	126.84	177.65
Amortisation of intangible assets	68.03	97.26
	<b>8,105.76</b>	<b>7,958.60</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 27. Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of stores and spares	12,973.09	10,058.61
Sub-contracting expenses	1,875.47	1,662.77
Power and fuel	8,065.56	6,878.00
Freight and forwarding charges	1,311.49	1,312.38
Rent (refer note no.38)	65.88	83.96
Rates and taxes	167.79	234.49
Insurance	317.11	216.20
Repairs and maintenance		
Plant and machinery	771.20	812.59
Buildings	138.33	189.78
Others	566.47	526.70
Selling, administration and distribution expense	289.49	300.55
Management support charges (refer note no.44)	3,241.28	2,683.35
Royalty and trade-mark license fees	2,529.31	2,075.94
Provision for warranties (net of reversals)	8.48	14.77
Traveling and conveyance	198.49	124.39
Communication costs	46.19	55.24
Corporate social responsibility expense (refer note no.47)	118.38	198.24
Printing and stationery	71.45	69.33
Legal and professional fees	548.67	522.43
Auditors remuneration (refer details below)*	58.24	54.50
Foreign exchange fluctuation (net)	-	230.87
Bad debts/advances written off	30.33	8.86
Allowance for expected credit loss and doubtful advances	97.13	54.81
Loss on sale/discard of property, plant and equipment (net)	221.83	140.42
Environmental maintenance and remediation	401.79	239.20
Bank charges	63.41	76.17
Miscellaneous expenses	1,094.43	1,227.18
	<b>35,271.29</b>	<b>30,051.73</b>

#### \*Auditors remuneration (excluding applicable taxes)

	Year ended 31 March 2022	Year ended 31 March 2021
- Statutory audit fee	27.00	25.00
- Limited reviews	28.24	27.00
- Tax audit fee	3.00	2.50
	<b>58.24</b>	<b>54.50</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 28. Earnings per share (EPS)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year as per statement of profit and loss	5,275.34	76.62
Weighted average number of equity shares in calculating basic and diluted EPS	5,56,32,130	5,56,32,130
Nominal value of shares (₹)	10.00	10.00
Earning per share - basic and diluted (₹)	9.48	0.14

### 29. Tax expense

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	1,181.90	1,761.32
Prior period tax expenses	(98.37)	(306.76)
Deferred tax	738.26	(1,474.68)
	<b>1,821.79</b>	<b>(20.12)</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:

Accounting profit before income tax	7,097.13	56.50
At country's statutory income tax rate of 25.17% (previous year: 25.17%)	1,786.21	14.22
Tax effect on permanent non deductible expenses :		
Expenses disallowed under Income tax act, 1961	78.12	43.04
Disallowed expense under Rule 14A of Income tax act	-	1.30
Expenses allowance for which was done in earlier years	(98.37)	(41.97)
Others	55.83	(36.71)
	<b>1,821.79</b>	<b>(20.12)</b>

### Tax rate

Base rate	22.00%	22.00%
Surcharge	2.20%	2.20%
Education cess	0.97%	0.97%
<b>Total</b>	<b>25.17%</b>	<b>25.17%</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 30. 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, other bank balances, trade receivables, investments, other current financial assets, trade payables, current borrowings 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 the long term borrowings 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.

### 31. Financial risk management

#### i) Financial instruments by category

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	-	-	150.64	-	-	-
Trade receivables	-	-	25,849.54	-	-	25,739.71
Cash and cash equivalents	-	-	12,364.21	-	-	12,970.89
Other financial assets	-	-	6,010.20	-	-	2,979.26
<b>Total</b>	-	-	<b>44,374.59</b>	-	-	<b>41,689.86</b>
<b>Financial liabilities</b>						
Borrowings (including interest accrued on borrowings )	-	-	16.17	-	-	17.51
Trade payable	-	-	30,671.68	-	-	27,814.80
Lease liabilities	-	-	892.97	-	-	961.23
Other financial liabilities (excluding interest accrued on borrowings )	-	-	764.72	-	-	769.11
<b>Total</b>	-	-	<b>32,345.54</b>	-	-	<b>29,562.65</b>

Note:

- Investment in equity instrument of subsidiary 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.

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 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 to group companies 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,
- loans and receivables measured at amortised cost, 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 ratings 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 rating	Particulars	As at	As at
		31 March 2022	31 March 2021
A: Low	Cash and cash equivalents	12,364.21	12,970.89
	Other financial assets	6,010.20	2,979.26
	Trade receivables (gross of expected credit loss)	25,930.68	25,813.91
B: High	Trade receivables	268.98	205.72

#### 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.

#### 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.

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 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.

Particulars	As at 31 March 2022		As at 31 March 2021	
	>365 Days	0 - 365 Days	>365 Days	0 - 365 Days
	Gross amount of trade receivables where no default (as defined above) has occurred	268.98	25,930.69	205.72
Expected loss rate (in %)	100%	0.31%	100%	0.29%
Expected credit loss( loss allowance provision)	268.98	81.14	205.72	74.20

### Reconciliation of loss provision – lifetime expected credit losses

Reconciliation of loss allowance	Trade receivable
<b>Loss allowance on 1 April 2020</b>	<b>248.24</b>
Impairment loss recognised during the year	54.81
Amounts written off	(23.13)
<b>Loss allowance on 1 April 2021</b>	<b>279.92</b>
Impairment loss recognised	97.13
Amounts written off	(26.93)
<b>Loss allowance as on 31 March 2022</b>	<b>350.12</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 2022

(All amounts in Rs. Lacs, unless otherwise stated)

31 March 2022	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payable	30,671.68	-	-	-	30,671.68
Lease liabilities	131.52	291.18	324.35	471.38	1,218.43
Other financial liabilities	780.89	-	-	-	780.89
<b>Total</b>	<b>31,584.08</b>	<b>291.18</b>	<b>324.35</b>	<b>471.38</b>	<b>32,671.00</b>

31 March 2021	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payable	27,814.80	-	-	-	<b>27,814.80</b>
Lease liabilities	142.67	265.21	314.97	638.25	<b>1,361.10</b>
Other financial liabilities	786.63	-	-	-	<b>786.63</b>
<b>Total</b>	<b>28,744.10</b>	<b>265.21</b>	<b>314.97</b>	<b>638.25</b>	<b>29,962.53</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 and Japanese Yen. 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:

	FC	As at 31 March 2022	As at 31 March 2021
<b>Financial liabilities</b>			
Trade payables	USD	1,692.68	1,122.36
	EUR	598.64	1,935.90
	GBP	145.20	166.87
	JPY	1.09	2.70
	SEK	-	21.24
		<b>2,437.61</b>	<b>3,249.07</b>
<b>Financial assets</b>			
Trade receivables	USD	5,687.43	5,783.21
	EUR	596.46	527.95
	GBP	74.47	84.92
		<b>6,358.36</b>	<b>6,396.08</b>
Net exposure to foreign currency risk (assets)		<b>3,920.75</b>	<b>3,147.01</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(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.

Particulars	As at 31 March 2022	As at 31 March 2021
<b>USD sensitivity</b>		
INR/USD- increase by 500 bp (previous year: 500 bp)*	199.74	233.04
INR/USD- decrease by 500 bp (previous year: 500 bp)*	(199.74)	(233.04)
<b>EUR sensitivity</b>		
INR/EUR- increase by 500 bp (previous year: 500 bp)*	(0.11)	(70.40)
INR/EUR- decrease by 500 bp (previous year: 500 bp)*	0.11	70.40
<b>GBP sensitivity</b>		
INR/GBP- increase by 500 bp (previous year: 500 bp)*	(3.54)	(3.54)
INR/GBP- decrease by 500 bp (previous year: 500 bp)*	3.54	3.54
<b>JPY sensitivity</b>		
INR/JPY- increase by 500 bp (previous year: 500 bp)*	(0.05)	(0.14)
INR/JPY- decrease by 500 bp (previous year: 500 bp)*	0.05	0.14
<b>SEK sensitivity</b>		
INR/SEK- increase by 500 bp (previous year: 500 bp)*	-	(1.06)
INR/SEK- decrease by 500 bp (previous year: 500 bp)*		1.06

\* Holding all other variables constant

### b) Interest rate risk

#### i) Liabilities

The Company does not have any borrowings and hence there is no interest rate risk.

#### c) Price risk

The Company does not have any investments in equity instruments which create an exposure to price risk.

### 32 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 2022

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Total debt	-	-
Less: Cash and bank balances	12,364.21	12,970.89
Net debt	(12,364.21)	(12,970.89)
Total equity (as shown on the face of balance sheet)	81,112.38	75,732.14
<b>Net debt to equity ratio (in %)</b>	<b>0.00%</b>	<b>0.00%</b>

Note:

1. Debt to equity ratio has been shown as Nil as the calculated amount depicts a negative balance.
2. The Company has not declared dividend in current year or previous year.

### 33. Capital commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Property, plant and equipment (net of advances paid)	3,923.58	1,783.52
	<b>3,923.58</b>	<b>1,783.52</b>

### 34 Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current assets</b>		
Inventories, cash and cash equivalents and trade receivables	55,540.63	56,049.08
<b>Total current assets pledged as security</b>	<b>55,540.63</b>	<b>56,049.08</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 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 ₹ 15,333.77 lacs (previous year ₹ 13,358.89 lacs). No other single customer represents 10% or more to the revenue of the Company for financial year ended 31 March 2022 and 31 March 2021.

### Geographical information in respect of revenue from customer is given below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	1,10,082.97	90,130.87
Other countries	18,344.75	15,631.13
	<b>1,28,427.72</b>	<b>1,05,762.00</b>

### Carrying amount of segment debtors by geographical market (net of provision)

Particulars	As at 31 March 2022	As at 31 March 2021
India	18,488.86	18,434.95
Other countries	7,360.68	7,304.76
	<b>25,849.54</b>	<b>25,739.71</b>

The Company has common assets for producing goods for India and outside countries. Hence, separate figures for assets/additions to property, plant & equipments cannot be furnished.

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 36 (a). Contingent liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Excise duty</b>		
(a) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	16.43	16.43
(b) Show cause notices on issues yet to be adjudicated	804.46	898.75
<b>(ii) Service tax</b>		
(a) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	475.49	475.48
<b>(iii) Sales tax</b>		
(a) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	652.67	1,183.89
<b>(iv) Goods and Service Tax</b>		
(a) Show cause notices on issues yet to be adjudicated	5.19	-
<b>(v) Income tax</b>		
(a) Cases decided in the Company's favour by Appellate authorities department has filed further appeal and show cause notices/ orders on the same issues for other periods	449.02	449.02
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	2,942.01	2,878.71
(c) Show cause notices on issues yet to be adjudicated	1.60	0.14
<b>(vi) Others</b>		
(a) Employee related cases	135.51	177.22

**36 (b)** During the previous year, pursuant to unfavourable Order from the Hon'ble Supreme Court, in matter of Management of Federal Mogul Goetze India Ltd versus Additional Labour Commissioner (Administration) and Appellate Authority & ORS. vide Special leave petition number 6794-6796/2021 dated 13 May 2021 ('the Order'), the Company considered a provision amounting to 4,275 lacs. The above impact of ₹ 4,275 lacs, was disclosed as exceptional item in the statement of Profit and Loss Account. During the current year ended 31 March 2022, the Company filed a review petition against the said Order before the Hon'ble Supreme Court on 15 June 2021 which was dismissed vide order dated 13 July 2021. Further, the Company received an Order from the Hon'ble High Court of Karnataka directing the Company to pay the disputed amount to employees covered by the said Order in two tranches i.e. to some of the employees by 30 November 2021 and to the remaining employees by 31 January 2022. The Company has complied with the said directions of the Hon'ble High Court of Karnataka and has paid the requisite amounts to the employees by the scheduled dates.

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 37. Related Party Transactions

**(i) In accordance with the requirement of Indian Accounting Standard (Ind AS - 24) on related party disclosures where control exist and description of the relationship are as follows:**

(a) Name of parties where control exists

- i) Holding Company
  - Federal Mogul Holdings Limited (Mauritius)
- ii) Subsidiary
  - Federal-Mogul TPR (India) Limited
- iii) Ultimate Holding Company
  - Tenneco Inc, USA

(b) Key managerial personnel

- Mr. Vinod Kumar Hans, Whole Time Managing Director
- Mr. Manish Chadha, Chief Finance Officer & Finance Director
- Mr. Rajesh Sinha, Additional Director
- Dr. Khalid Iqbal Khan, Whole Time Director- Legal and Company Secretary
- Mr. Krishnamurthy Naga Subramaniam, Non-executive Director
- Mr. Sundareshan Kanakku Chembakaraman Pillai, Non-executive Director
- Ms. Nalini Jolly

(c) Fellow and step fellow subsidiaries

- |  |  |
|--|--|
| - Federal Mogul Burscheid GMBH, Germany                      | - Federal Mogul Powertrain Inc, Southbend                          |
| - Federal Mogul Nurnberg, GMBH (Germany)                     | - Federal Mogul Chasseneuil  |
| - Federal Mogul Holding Deutschland (Germany)                | - Federal Mogul Motorparts LLC                                     |
| - Federal Mogul Limited (U.K.)                               | - Federal Mogul Naberezhnye Chelny                                 |
| - Federal Mogul Financial Services FRANCTNL (France)         | - Federal Mogul S De RI De Cv                                      |
| - Federal Mogul Gorzyce, S.A. (Poland)                       | - Federal Mogul Kontich  |
| - Federal Mogul Friedberg, GMBH (Germany)                    | - Federal Mogul Anand Bearings India Limited (India)               |
| - Federal Mogul Sintered Products Limited. (U.K.)            | - Federal-Mogul Ignition Products India Limited (India)            |
| - Federal Mogul Friction Products Limited (Thailand)         | - Federal-Mogul Powertrain Solutions India Private Limited (India) |
| - Federal Mogul Thailand Manufacturina Ayutthaya, (Thailand) | - Federal Mogul Anand Sealing India Limited (India)                |
| - Federal Mogul France, S.A. (France)                        | - Motocare India Private Limited (India)                           |
| - Federal Mogul Corporation, Garennes (France)               | - Federal-Mogul Motorparts India Limited (India)                   |
| - Federal Mogul (Shanghai)                                   | - Tenneco Clean Air India Private Limited                          |
| - Federal Mogul Friction Products Limited.                   | - Federal Mogul Global Aftermarket EM                              |
| - Federal Mogul Worldwide Aftermarket                        | - Federal Mogul Powertrain System                                  |
| - Federal Mogul Sistemas Brazil                              | - Federal Mogul Powertrain Otomotiv A                              |
| - Federal Mogul Dongsuh Piston Co. Limited. (China)          | - Federal Mogul Powertrain LLC                                     |
| - Federal Mogul Bradford Limited.                            | - Federal Mogul Corporation - Southbend                            |
| - Federal Mogul Powertrain Spara, MI                         | - Federal Mogul Ltd-UK   |
| - Federal Mogul KK Yokohama                                  |  |

**Notes to the Standalone Financial Statements for the year ended 31 March 2022**

*(All amounts in Rs. Lacs, unless otherwise stated)*

**(ii) Those transactions along with related balances as at 31 March 2022 and 31 March 2021 are presented in the following table:**

Particulars	Ultimate Holding Company Tennoco Inc. (USA)	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Sales#	-	-
Expenses incurred on Company's behalf	-	-
Expenses incurred by Company	<b>3.22</b>	62.47
Management Support charges	-	-
Balance outstanding as at the end of the period (payables)	-	-
Balance outstanding as at the end of the period receivables	<b>135.49</b>	132.27

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	Fellow Subsidiaries									
	Federal-Mogul Bradford Limited		Federal-Mogul Burscheid GmbH, (Germany)		Federal Mogul Motorparts LLC		Federal Mogul Powertrain Otomotiv A		Federal Mogul Global Aftermarket EM	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Sales#	-	-	-	0.07	<b>4,870.46</b>	4,849.93	<b>222.11</b>	139.02	<b>268.95</b>	29.42
Purchase of raw material#	-	906.67	<b>753.06</b>	469.04	-	-	-	-	-	-
Purchase of fixed assets	-	-	<b>278.38</b>	579.15	-	-	-	-	-	-
Expenses incurred on Company's behalf	-	-	-	64.23	-	-	-	-	-	-
Expenses incurred by Company	-	-	<b>119.49</b>	94.34	-	-	-	-	-	-
Royalty Expenses	-	-	<b>805.41</b>	601.65	-	-	-	-	-	-
Balance outstanding as at the end of the period (payables)	-	-	<b>(353.47)</b>	(465.81)	-	-	-	-	-	-
Balance outstanding as at the end of the period receivables	-	-	<b>223.45</b>	103.96	<b>4,403.27</b>	4,272.83	<b>42.08</b>	44.92	<b>118.28</b>	-

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	Fellow Subsidiaries							
	Federal-Mogul Nurnberg, GMBH (Germany)		Federal-Mogul Thailand Manufacturing Ayuthaya (Thailand)		Federal-Mogul Holding Deutschland (Germany)		Federal-Mogul Naberezhnye Chelny	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Sales#	1.58	4.78	4,771.71	4,023.38	-	-	1,009.20	721.99
Purchase of raw material#	89.19	41.94	-	-	-	-	-	-
Purchase / (Sale) of Fixed Assets	518.57	1,160.70	-	-	-	-	-	-
Interest Expenses	-	-	-	-	-	-	-	-
Management Support charges	-	-	-	-	3,241.28	2,683.35	-	-
Expenses incurred on Company's behalf	-	7.11	-	-	-	-	-	0.55
Expenses incurred by Company	-	-	-	-	-	-	-	-
Royalty Expense	1,187.09	964.74	-	-	-	-	-	-
Balance outstanding as at the end of the period (payables)	(322.25)	(412.18)	-	-	-	(528.56)	-	-
Balance outstanding as at the end of the period receivables	10.19	22.82	457.55	576.10	48.96	-	202.97	295.85



(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	Fellow Subsidiaries					
	Federal-Mogul Powertrain LLC - Sparta		Federal-Mogul Corporation - Goryze		Federal-Mogul Corporation - Southbend	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Sales#	274.49	7.36	-	-	164.74	0.02
Purchase of raw material#	463.46	260.94	320.88	-	49.84	-
Purchase / (Sale) of Fixed Assets	560.03	-	-	-	605.96	-
Interest Expenses	-	-	-	-	-	-
Management Support charges	-	-	-	-	-	-
Expenses incurred on Company's behalf	-	-	-	-	-	0.61
Expenses incurred by Company	-	-	-	-	-	-
Royalty Expense	-	-	-	-	-	-
Balance outstanding as at the end of the period (payables)	(342.06)	(201.21)	-	-	(602.57)	(40.34)
Balance outstanding as at the end of the period receivables	253.43	7.26	-	-	122.38	-



## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	Fellow subsidiaries									
	Federal Mogul S De RI De Cv		Federal Mogul Products Limited, (U.K)		Federal Mogul Friedberg GMBH		Federal Mogul Ltd-UK		Other fellow subsidiaries	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Sales#	-	84.14	134.98	-	-	-	-	-	35.08	41.57
Purchase of raw material#	8.14	364.09	455.98	-	44.96	-	-	-	14.01	24.39
Purchase / (Sale) of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Trade Mark & license fees	-	-	-	-	-	-	160.55	129.71	-	-
Management Support charges	-	-	-	-	-	-	-	-	-	-
Expenses incurred on Company's behalf	-	-	-	-	-	-	-	-	-	-
Expenses incurred by Company	-	-	-	-	-	-	-	-	-	-
Royalty Expense	-	298.52	352.50	-	-	-	-	-	-	-
Balance outstanding as at the end of the period (payables)	(0.89)	(175.42)	(236.52)	-	-	-	(37.12)	(40.19)	(18.28)	(25.34)
Balance outstanding as at the end of the period receivables	-	85.00	74.17	-	-	-	-	-	21.93	29.72

**Notes to the Standalone Financial Statements for the year ended 31 March 2022**

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	Fellow subsidiaries												Grand Total			
	Federal Mogul Anand Bearings India Limited (India)		Federal Mogul Ignition Products India Limited (India)*		Tenneco Clean Air India Pvt Ltd		Federal Mogul Powertrain Solutions India Private Ltd (India)		Motocare India Private Limited (India)		Federal Mogul Anand Sealing India Limited		Grand Total			
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	
Sales#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,491.96	14,410.14
Purchase of raw material, intermediaries and finished goods#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,154.57	2,118.52
Purchase / (Sale) of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,962.95	1,739.85
Expenses incurred on Company's behalf	20.93	17.44	-	-	121.82	82.59	9.21	13.76	310.63	131.35	1.23	-	-	463.82	317.64	
Expenses incurred by Company	7.12	7.12	-	-	46.05	99.26	119.94	185.78	-	0.36	27.10	162.73	-	319.71	549.59	
Inter-corporate deposit (ICD) Taken	-	-	-	-	-	2,200.00	-	-	-	-	-	-	-	-	-	2,200.00
Inter-corporate deposit (ICD) Given	-	-	-	-	-	2,200.00	-	-	-	-	3,300.00	-	-	3,300.00	2,200.00	
Interest on ICD	-	-	-	-	-	14.92	-	-	-	-	102.05	-	-	102.05	14.92	
Balance outstanding as at the end of the period (payables)	-	-	(0.05)	0.13	-	(82.59)	(612.31)	(535.43)	(112.79)	(189.51)	145.37	(26.91)	(2,492.94)	(2,726.57)		
Balance outstanding as at the end of the period receivables	49.87	55.45	11.59	10.88	21.24	99.26	610.03	549.86	889.83	561.44	(116.52)	44.70	7,444.70	6,760.04		
Loan outstanding	-	-	-	-	-	-	-	-	-	-	3,300.00	-	-	3,300.00	-	
Interest (payable)/receivable	-	-	-	-	-	-	-	-	-	-	22.07	-	-	22.07	-	
Trade Mark & license fees	-	-	-	-	-	-	-	-	-	-	-	-	-	160.55	129.71	
Management Support charges	-	-	-	-	-	-	-	-	-	-	-	-	-	3,241.28	2,683.35	
Royalty Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	2,345.00	1,864.90	

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	Subsidiary Federal-Mogul TPR India Limited	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Sales	1,535.32	1,428.14
Purchase of raw material	7,026.15	5,886.70
Sale of fixed assets	699.54	309.27
Dividend received	295.80	443.70
Management support charges	636.42	581.50
Job work income	1,459.11	1,350.99
Rent income	99.08	99.08
Sole selling commission	450.76	401.67
Inter-corporate deposit (ICD) Taken	-	2,200.00
Inter-corporate deposit (ICD) re paid	-	2,200.00
Interest on ICD	-	14.92
Interest (payable) / receivable	-	-
Balance outstanding as at the end of the year ( payable )	(1,220.00)	(239.96)
Balance outstanding as at the end of the year (receivable )	42.22	36.28



## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. 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 2022

Particulars	Category of ROU asset			Total
	Leasehold land	Buildings	Office Equipment	
<b>Gross carrying value</b>				
<b>As at 1 April 2020</b>	<b>362.87</b>	<b>348.90</b>	<b>8.39</b>	<b>720.16</b>
Additions/transfers	-	988.85	-	988.85
Disposals	-	(10.19)	-	(10.19)
<b>As at 31 March 2021</b>	<b>362.87</b>	<b>1,327.56</b>	<b>8.39</b>	<b>1,698.82</b>
Additions/transfers	-	-	-	-
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>
<b>Accumulated depreciation</b>				
<b>As at 1 April 2020</b>	17.12	216.43	2.59	236.14
Depreciation charge for the year	4.28	170.79	2.58	177.65
Disposals	-	-	-	-
<b>As at 31 March 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>
<b>Net carrying value</b>				
<b>As at 31 March 2021</b>	<b>341.47</b>	<b>940.34</b>	<b>3.22</b>	<b>1,285.03</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>

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortization expense in the statement of profit and loss.

#### The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2022

Particulars	As at 31 March 2022
Non-current lease liabilities	830.50
Current lease liabilities	62.47
	<b>892.97</b>

#### The following is the movement in lease liabilities for the year ended 31 March 2021

Particulars	As at 31 March 2021
Non-current lease liabilities	892.97
Current lease liabilities	68.26
	<b>961.23</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### The following is the movement in lease liabilities for the year ended 31 March 2022

Particulars	As at 31 March 2022
As at 01 April 2021	961.23
Additions	-
Interest on lease liabilities	74.41
Deletions	-
Payment of lease liabilities	(142.67)
	<b>892.97</b>

### The following is the movement in lease liabilities for the year ended 31 March 2021

Particulars	As at 31 March 2021
As at 01 April 2020	147.18
Additions	988.85
Finance cost accrued during the year	35.01
Deletions	(11.10)
Payment of lease liabilities	(198.71)
	<b>961.23</b>

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	<b>131.52</b>	146.87
One to five years	<b>615.53</b>	580.18
More than five years	<b>471.39</b>	638.25

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:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation expense of right-of-use assets	126.84	177.65
Interest expense on lease liabilities	74.41	35.01
Expense relating to short-term leases (included in other expenses)	65.88	83.96
	<b>267.13</b>	<b>296.62</b>

### (ii) Lease related disclosures

- (a) The Company has leases for land and 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 and buildings and office equipment.

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

(b) Total cash outflow for leases for the year ended 31 March 2022 was ₹ 142.67 lacs (31 March 2021 ₹ 198.71 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	73 Years	73 Years	1	-	1
Buildings	2	5-92 months	49 months	2	-	2
Office Equipment	1	3 months	3 months	1	-	1

(e) There are no leases which are yet to commence as on 31 March 2022.

### (II) Assets given under operating lease

1. Uncollectible minimum lease payments receivable at the Balance sheet date
2. Future minimum lease payments receivable:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a. Not later than one year	99.08	99.08
b. Later than one year and not later than five years	272.47	371.55
c. Later than five years	-	-

### 39. Employee benefit obligations

#### Gratuity

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 Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

#### Disclosure of gratuity

(i) Amount recognised in the statement of profit and loss is as under:

Description	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	568.39	525.09
Interest cost	676.78	664.28
Expected return on plan assets	(517.08)	(472.20)
<b>Amount recognised in the statement of profit and loss</b>	<b>728.09</b>	<b>717.17</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### (ii) Remeasurement (gains)/loss recognised in other comprehensive income

Description	Year ended 31 March 2022	Year ended 31 March 2021
Actuarial loss on obligations arising from changes in demographic adjustments	-	75.14
Actuarial (gain) on obligations arising from changes in experience adjustments	(183.83)	(201.04)
Actuarial (gain)/loss on obligations arising from changes in financial assumptions	45.60	(105.95)
<b>Remeasurements of the post employment defined benefit plans (gain)</b>	<b>(138.23)</b>	<b>(231.85)</b>
Return on plan assets (greater) than discount rate	(1.95)	(93.06)
<b>Remeasurements of the post employment defined benefit plans (gain) recognised in OCI</b>	<b>(140.18)</b>	<b>(324.91)</b>

### (iii) Movement in the liability recognised in the balance sheet is as under:

Description	Year ended 31 March 2022	Year ended 31 March 2021
Present value of defined benefit obligation as at the beginning of the year	10,249.75	10,472.72
Current service cost	568.39	525.09
Interest cost	676.78	664.28
<b>Remeasurements of the post employment defined benefit plans (gain)</b>	<b>(138.23)</b>	<b>(231.85)</b>
Benefits paid from the fund	(928.04)	(1,180.49)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>10,428.65</b>	<b>10,249.75</b>

### (iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	Year ended 31 March 2022	Year ended 31 March 2021
Fair value of plan assets at beginning of year	7,717.58	7,156.68
Expected return on plan assets	517.08	472.20
Contributions by employer	1,315.99	1,176.13
Benefits paid	(928.04)	(1,180.49)
Remeasurements of the post employment defined benefit plans loss	1.95	93.06
<b>Fair value of plan assets at the end of the year</b>	<b>8,624.56</b>	<b>7,717.58</b>

Description	As at 31 March 2022	As at 31 March 2021
Defined benefit obligation	10,428.65	10,249.75
Fair valuation of plan assets	8,624.56	7,717.58
	<b>1,804.09</b>	<b>2,532.17</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.



## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 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.

### (vi) Plan assets/liability

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows

Description	Year ended 31 March 2022	Year ended 31 March 2021
Insurance company products	95.72%	95.82%
Equity shares	0.00%	0.00%
Bonds (including accrued interest)	0.00%	0.00%
Investment funds	2.62%	2.93%
Cash	1.66%	1.25%

### (vii) Actuarial assumptions

Description	As at 31 March 2022	As at 31 March 2021
Discount rate	7.00% p.a.	6.70% p.a.
Normal retirement age*	60 years	60 years
Employee turnover#	1% - 4.3%p.a.	1% - 4.3%p.a.
Expected rate of return on plan assets	7.00% p.a.	6.70% p.a.
Salary increase rate#	3% - 9%p.a.	3% - 8.5%p.a.

\* 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 assumptions as on 31st March 2022:

Description	As at 31 March 2022	As at 31 March 2021
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	10,428.65	10,249.75
- Impact due to increase of 0.50 %	10,073.12	9,898.14
- Impact due to decrease of 0.50 %	10,773.06	10,622.55
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	10,428.65	10,249.75
- Impact due to increase of 0.50 %	10,727.71	10,578.39
- Impact due to decrease of 0.50 %	10,107.79	9,932.02

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.

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

The following payouts are expected in future years:

Description	As at 31 March 2022
Year ended 31 March 2023	284.12
Year ended 31 March 2024	1,209.60
Year ended 31 March 2025	1,245.85
Year ended 31 March 2026	1,527.34
Year ended 31 March 2027	1,543.71
Year ended 31 March 2028 to 31 March 2032	7,935.02

### 40 Disclosure under section 186(4) of the Companies act, 2013

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Investments</b>		
Federal-Mogul TPR (India) Limited		
Investments at the beginning of the year	510.00	510.00
<b>Investments at the end of the year</b>	<b>510.00</b>	<b>510.00</b>

### 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:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Revenue from contracts with customers</b>		
Sale of products		
Domestic	1,10,082.97	90,130.87
Export	18,344.75	15,631.13
Other operating income	3,769.93	2,923.54
<b>Total revenue covered under Ind AS 115</b>	<b>1,32,197.65</b>	<b>1,08,685.54</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### c Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

Particulars	Year Ended 31March 2022	Year Ended 31March 2021
<b>Contract liabilities</b>		
Advances from consumers	254.73	222.10
Security deposits received from customers	379.10	393.67
Total contract liabilities	633.83	615.77
<b>Receivables</b>		
Trade receivables	26,199.66	26,019.63
Less : Allowances for expected credit loss	(350.12)	(279.92)
Net receivables	25,849.54	25,739.71

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 Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

Particulars	As at 31 March 2022	
	Contract Liabilities	
	Advances from consumers	Security deposits received from customers
Opening balance	222.10	393.67
Additions during the year	6,360.20	31.68
Revenue recognised during the year/ amount refunded during the year	(6,327.57)	(46.25)
Closing balance	254.73	379.10

Particulars	As at 31 March 2021	
	Contract Liabilities	
	Advances from consumers	Security deposits received from customers
Opening balance	161.23	422.48
Additions during the year	7,475.13	27.90
Revenue recognised during the year/ amount refunded during the year	(7,414.26)	(56.71)
Closing balance	222.10	393.67

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### e 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.

### f 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 days).

### g 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 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:

Particulars	As at 31 March 2022	As at 31 March 2021
a. The principal amount remaining unpaid as at the end of year	1,614.26	1,452.66
b. Interest due on above principal and remaining unpaid as at the end of the year	0.29	0.04
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.	6.69	5.18
e. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	6.98	5.22
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	-	-

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 43 Provision for regulatory matters

The Company is continuously evaluating processes for regulatory matters at its factories based on more accurate evidences available, a provision, towards costs to be incurred to remediate these matters, of ₹ 219.04 lacs is included under note no.13 for provisions which are net of amounts utilized of ₹ 67.97 lacs during the year towards remediation.

In addition to the above, the provision for regulatory matters includes a provision of ₹ 1,386.64 lacs towards certain other regulatory matters.

The Company is actively seeking to resolve these actual and potential statutory, taxation, regulatory and contractual obligations. In accordance with requirements of Indian Accounting Standard (Ind AS) 37 on 'Provisions, Contingent liability and Contingent assets' issued by the Institute of Chartered Accountants of India, although difficult to quantify based on the complexity of the issues, the Company has accrued amounts corresponding to its best estimate of the costs associated with such regulatory and contractual obligations on the basis of available information and best professional judgment of experts appointed for this exercise.

Based on consultations obtained from the experts in respect of the said matters, in management's view, no further costs are expected to be incurred for which a provision would be required at this stage and considers the provisions made to be adequate.

### 44 Management support charges

During the financial year 2021-22, the Company has paid the management support charges under cost allocation agreement with Federal Mogul Holding Deutschland Gmbh to ₹ 3,241.28 lacs (Previous year 2020-21 ₹ 2,683.35 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. This charge is based on actual services received by the company on cost basis without any mark up and is at an arm's length basis.

- 45 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.

### 46. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Lease liabilities	Interest
Opening Balance as on 1 April 2020	147.18	78.87
<b>Non cash changes due to</b>		
- Recognition of lease liabilities	988.85	-
- Interest expense	35.01	207.21
<b>Cash flows during the year due to</b>		
- Deletion of lease liabilities	(11.10)	-
- Repayment of lease liabilities	(198.71)	-
- Movement in short term borrowings during the year	-	-
- Payment of interest	-	(232.50)
<b>Closing Balance as on 31 March 2021</b>	<b>961.23</b>	<b>53.58</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	Lease liabilities	Interest
<b>Non cash changes due to</b>		
- Recognition of lease liabilities	-	-
- Interest expense	74.41	343.19
<b>Cash flows during the year due to</b>		
- Deletion of lease liabilities	-	-
- Repayment of lease liabilities	(142.67)	-
- Movement in short term borrowings during the year	-	-
- Payment of interest	-	(329.64)
<b>Closing Balance as on 31 March 2022</b>	<b>892.97</b>	<b>67.13</b>

### 47. Corporate social responsibility

a) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Act is ₹ 110.60 lacs (previous year ₹ 198.17 lacs)

b) Amount spent during the year on-

Particulars	Year ended 31 March 2022			Year ended 31 March 2021		
	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	43.88	-	43.88
(ii) On purposes other than (i) above	42.62	-	42.62	154.36	-	154.36
	<b>118.38</b>	<b>-</b>	<b>118.38</b>	<b>198.24</b>	<b>-</b>	<b>198.24</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.

e) Details of excess amount spent:

Opening balance	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	110.60	118.38	(7.78)

f) There is no shortfall in CSR expenditure at the end of the year.

g) The Company's Corporate social responsibility activities involve promotion of education, environment protection, protection of wild life and preventive healthcare.

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts in Rs. Lacs, unless otherwise stated)

### 48. Ratios as per Schedule III requirements:

Ratio	Numerator	Denominator	Unit	31 March 2022	31 March 2021	% variance	Reason for variance
(a) Current ratio	Current assets	Current liabilities	Times	1.77	1.83	-3.11%	-
(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	29.40	28.79	2.10%	-
(d) Return on equity ratio	Profit after tax for the year less Preference dividend (if any)	Average total equity	%	6.73%	0.10%	6534.78%	Higher return on equity ratio is on account of no exceptional/ one off expenses during the current year.
(e) Inventory turnover ratio	Revenue from operations	Average inventories	Times	7.63	6.07	25.55%	Higher inventory turnover ratio is on account of Higher revenue and reduction in inventory.
(f) Trade receivables turnover ratio	Net credit sales	Average trade receivables	Times	5.13	4.93	4.00%	-
(g) Trade payables turnover ratio	Net credit purchases	Average trade payables	Times	1.79	1.58	13.05%	-
(h) Net capital turnover ratio	Net sales	Working capital	Times	4.90	4.05	20.89%	-
(i) Net profit ratio	Net profit after tax	Net sales	%	3.99%	0.07%	5560.46%	Higher net profit ratio is on account of no exceptional/ one off expenses during the current year.
(j) Return on capital employed	Earning before interest and taxes	Capital employed = Tangible net worth + Total debt + Deferred tax liability	%	9.27%	6.05%	53.22%	Higher return on capital employed is on account of improved profitability represented by higher Earning before interest, tax and no one off expenses during the year.
(k) Return on investment	Income generated from invested funds	Average invested funds in treasury investments	%	6.93%	12.08%	-42.62%	Decrease in return on investment on account of reduction in dividend from subsidiary company and increase in investment in unquoted equity shares and debentures of other companies.

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Since there are only five instances where the change is more than 25% i.e. Return on equity ratio, Inventory turnover ratio, Net profit ratio, Return on capital employed and Return on Investment, hence explanation is given only for the said ratios.

#### 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 sanctioned working capital amounts from banks on the basis of security of inventories, cash and cash equivalents and trade receivables. The quarterly returns being filed by Company with banks are in line with the books of accounts.
  - e) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
  - f) The Company does not have any material transactions with struck-off companies.
  - g) The Company do not have any charges or satisfaction which is yet to be registered with Registrars of Companies (ROC) beyond the statutory period.
  - h) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
  - i) 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.
  - j) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments.
  - k) The Company has not taken Loans or Advances in the nature of loan from any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments.
- 50.** The Company continues to closely monitor the impact of COVID - 19 pandemic and believes that there is, currently, no material impact on its long-term operations and financial performance of the Company. Further, the Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, thus no impact on the financials statements.
- 51.** The Indian Parliament has approved the Code on Social Security, 2020 which could have a likely impact on the contributions made by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The effective date from which the Code and applicable Rules shall be applicable is yet to be notified. The Company shall assess and evaluate the likely financial impact once the subject rules are notified and become effective.

**For Walker Chandiook & Co LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Ankit Mehra**

Partner  
 Membership No.: 507429

Place: Gurugram  
 Date: 20<sup>th</sup> May 2022

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

**Vinod Kumar Hans**

Whole Time Managing Director  
 DIN : 03328309

**Khalid Iqbal Khan**

Whole Time Director- Legal & Company Secretary  
 DIN : 05253556

**Manish Chadha**

Chief Finance Officer & Finance Director  
 DIN : 07195652





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### DIRECTORS' REPORT

Dear Member(s),

Your Directors are pleased to present the 25<sup>th</sup> Annual Report and Audited Financial Statement of Accounts for the financial year ending 31<sup>st</sup> March, 2022.

### FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021
Gross Sales	10,236.01	9,070.54
Less: Excise duty	-	-
Income from operations	10,236.01	9,070.54
Other income	218.46	335.66
<b>Total Income</b>	<b>10,454.47</b>	<b>9,406.20</b>
<b>Operating profit before finance charges, depreciation and exceptional item</b>	<b>2,039.28</b>	<b>1,715.87</b>
Finance Charges	31.48	33.11
Depreciation	679.76	468.00
Exceptional items	-	-
<b>Net Profit before tax</b>	<b>1,328.04</b>	<b>1,214.76</b>
Provision for the Taxation:		
Current Tax	369.05	321.93
Tax earlier year	-	-
Less: Deferred Tax	(16.50)	(5.91)
<b>Profit after tax</b>	<b>975.48</b>	<b>898.74</b>
Other comprehensive income (net of taxes)	(4.16)	(3.59)
Total Comprehensive Income	979.65	902.33
Profit brought forward from last year	10,214.90	10,182.55
<b>Net profit available for appropriation</b>	<b>11,194.55</b>	<b>11,084.88</b>
<b>Appropriation:</b>		
Transfer to general reserve	-	-
Dividend:		
Equity Shares	(580.00)	(870.00)
Tax and Cess on dividend - equity	-	-
<b>Surplus / (loss) carried forward to Balance sheet</b>	<b>10,614.55</b>	<b>10,214.88</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, 2022 was 10,454.47 lakhs as against Rs. 9,406.20 Lakh for the financial year ended 31<sup>st</sup> March, 2021.

During the year under review, the Company made a net profit after tax of 975.48 Lakhs for the financial year ended 31<sup>st</sup> March, 2022 as against the net profit after tax of Rs. 898.74 Lakhs for the financial year ended 31<sup>st</sup> March, 2021.

No amount is proposed to be transferred to the general reserves. The Company proposed a dividend of Rs. 625 lakhs for the financial year ended 31<sup>st</sup> March, 2022.

### SECRETARIAL AUDITORS

The Company had appointed M/s Deepika Gera, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the Financial Year ended 31<sup>st</sup> March, 2022. 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 reappointed Deepika Gera, Company Secretaries, New Delhi, as Secretarial Auditor of the Company for the FY 2022-23.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### MATERIAL CHANGES AND COMMITMENTS

No material change, which could affect the financial position of the Company, occurred during the financial year 2021-22 and upto the date of the Board Report.

### BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Presently your Board consists of seven (7) directors viz Mr. Vinod Kumar Hans, Chairman and Non-Executive Director; Dr. Khalid Iqbal Khan, Non-Executive Director; Mr. Rajesh Sinha, Non-Executive Director; Mr. Krishnamurthy Naga Subramaniam, Non-Executive Independent 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, Mr. Manish Chadha and Mr. Takehiko Karasawa, 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.

#### 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 is prepared and circulated in advance to the Directors. During the year 04 (Four) 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 2021-22 are given below:

Date of the meeting	Total strength of the Board	No. of Directors Present
25 <sup>th</sup> June, 2021	07	07
03 <sup>rd</sup> September, 2021	07	07
11 <sup>th</sup> November, 2021	07	07
14 <sup>th</sup> February, 2022	07	07

### 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 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 25<sup>th</sup> June, 2021.



## **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, 2022, and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March, 2022,
- (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. 6.25/- (Rupees Six and Twenty-Five paise only) per Equity Share, aggregating to Rs. 625 lakhs for the financial year ended 31<sup>st</sup> March, 2022.

## **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 2021-22 under Section 186 of the Companies Act, 2013 read with rules made thereunder.

## **RELATED PARTY TRANSACTIONS**

During the financial year 2021-22, the Company has entered into the related party transactions in terms of the Companies Act, 2013 read with rules made there under, 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 there under. 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



## FEDERAL-MOGUL TPR (INDIA) LIMITED

Committee. The Company has constituted Corporate Social Responsibility (CSR) Committee. Presently, the Committee comprises the following members:

- |   |             |
|---|-------------|
| 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 2021-22 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. 28,09,078/- for spending on CSR activities during the financial year 2022-23.

### SUBSIDIARY AND ASSOCIATE COMPANY

The Company has no subsidiary and associate Company.

### PUBLIC DEPOSITS

As at 31<sup>st</sup> March, 2022, 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, have been duly followed by the Company.

### AUDITORS

#### Statutory Auditors & Auditors' Report

At the 20<sup>th</sup> Annual General Meeting (AGM) of the Company, Walker Chandiook & Co., LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013), New Delhi were appointed 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 25<sup>th</sup> AGM i.e. the ensuing AGM.

The Board has duly examined the Statutory Auditors' Report to the accounts for the financial year 2021-22, which is self-explanatory.

In view of expiry of the tenure of the Statutory Auditors, Walker Chandiook & Co., LLP, Chartered Accountants the Board in its Meeting dated 8<sup>th</sup> August, 2022 has appointed Deloitte Haskins & Sells LLP, having firm registration no. 117366W/W-100018, as Statutory Auditors of the Company for a period of 5 years from the conclusion of the ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the calendar year 2027 subject to the approval of the members in the ensuing Annual General Meeting.

The consent to such appointment and a certificate from Deloitte Haskins & Sells LLP, having firm registration no. 117366W/W-100018, have been received to the effect that the appointment is in accordance with the conditions prescribed under Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and they satisfy the criteria specified under Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.



### **Internal Auditors**

The Board has approved the appointment of KPMG, Chartered Accountants as the Internal Auditors, for the financial year ending March 31, 2023.

### **Cost Auditors**

The Board has approved the appointment of Sanjay Gupta & Associates, Cost Accountant as Cost Auditor, for the financial year ending March 31, 2023. The Cost Auditors shall submit their report for the financial year ending 2021-22 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 2021-22.

No. of complaints received: NIL

No. of complaints disposed-off: NIL

During the year, the Company carried out awareness programmes 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 equipments 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 DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING 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: 8<sup>th</sup> August, 2022

Place: Gurugram



**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2022

[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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022 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;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 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, 2009 – **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) Regulations, 2014– **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 Debt 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, 2009 - **Not applicable as the Company is not a listed Company;**



## FEDERAL-MOGUL TPR (INDIA) LIMITED

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. 5.80/- (Rupees Five and Eighty paise only) per equity share of Rs. 10/- each for the financial year 2020-21 to its shareholders. In this regard, the Company has complied with the applicable provisions of the Companies 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 observations, corrections and compliances were advised 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 further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and an Independent Director. 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, if any.

Adequate notice is 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 decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I report further that, 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**  
**DEEPIKA GERA**  
**FCS No. 3531**  
**C P No : 7487**  
**UDIN NO. F003531D000287430**

Place: NEW DELHI  
Date: 09-05-2022

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

'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 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.

Place: NEW DELHI  
Date: 09-05-2022

**For DEEPIKA GERA, COMPANY SECRETARIES**  
**DEEPIKA GERA**  
**FCS No. 3531**  
**C P No : 7487**  
**UDIN NO. F003531D000287430**



**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 Act and Companies (Accounts) Rules, 2014

**A. Conservation of energy:****a. The following energy conservation measures were taken:**

- Energy Audits are conducted across the facility and identified Higher Capacity motors and devices drawing higher energy are being replaced with latest higher energy efficient motors.
- The facility is upgraded to the latest technology of LED lighting system.
- Energy efficient Compressors are in use and an air demand controller is installed.
- 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 consuming 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.
- Adequate planning of production is in line with the specific power consumption required for generation of product.
- Energy saving logics are introduced in machines, which switches off the hydraulics or the machines during the idle times.
- Variable frequency drives are installed to higher capacity motors to reduce energy consumption.
- Adequate maintenance to avoid leaks of compressed air and frequent audits were undertaken to ensure to the same.
- Temperature cutoff to all the Surface Treatment Baths to avoid overheating and consumption of electricity.

**b. The steps taken by the company for Utilizing alternate sources of energy:**

- The facility uses 90% of Wheeling Energy (Wind/Solar Energy) in order to reduce GHG gases.
- The facility uses maximum usage of natural roof Lighting in the shop floor.
- The facility has switched over from LPG to PNG as a part of risk reduction.

**c. The capital investment on energy conservation equipments:**

- INR 10,00,000/- per annum

**B. Technology absorption****i) The efforts made towards technology absorption:**

With the BS6 implementation, many of OEMs developed new engines / upgraded their existing engines. The Engineering team actively participated with OEMs and met their requirements. Further requirements on BS6 -OBD II is also being discussed with the customers.

As the new engines calls for Light weight, Low friction & increased durability designs, F-M India team successfully applied the following Global technology:

**Piston Rings:**

1. Installation and commissioning of Nitrex furnace
2. PRiME 3D® Software for oil consumption analysis
3. Training of engineers both in product and process design from the global teams

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

- a) Improvement in the process of Nitriding and enabler for providing various coatings on outer diameter of the ring and hence improved durability / consistent performance over engine life.
- b) Oil consumption analysis may help in reduction of the design iteration and engine test duration GD

**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



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Import of Technology for the last 5 years

Technology	Imported from	Year of Import	Status
Carboglide®	Germany	2020	Production
Asymmetrical barrel top ring	Germany	2021	Production
Nitriding	Germany	2021 / 2022	Production

#### iv. Expenditure incurred on Research & Development (R & D):

Capital:	Nil
Recurring:	Nil
Total:	Nil
Total R & D Expenditure as a percentage of total turnover:	Nil

### B. FOREIGN EXCHANGE EARNINGS & OUTGO

1. Exports:	INR 9,287,964/-
2. Foreign exchange earned:	INR 9,287,964/-
3. Foreign exchange utilized:	INR 287,815,809/-

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22****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			
<b>TOTAL</b>			



## FEDERAL-MOGUL TPR (INDIA) LIMITED

6. Average net profit of the Company as per Section 135(5): Rs 1738 Lakh

7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 34,76,703**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:

(c) Amount required to be set off for the financial year, if any:

(d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 34,76,703**

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
34.76 Lakhs					

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

Amounts Rs. in Lakhs

(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 (Amt. in Rs. In lacs)	(7) Mode of implementation Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	10 ICU Beds at Railway Wheel Factory	Health Care	Yes	Bangalore	Karnataka	25.65	No	Manav Charities	CSR 0000 5312
2.	Supply of Equipment for Zoo Hospital	Protection of Wild life	Yes	Bangalore	Karnataka	8.80	No	Manav Charities	CSR 0000 5312
3.	Wheelchair for specially abled visitors at Lake	Preventive HealthCare	Yes	Bangalore	Karnataka	0.09	No	Manav Charities	CSR 0000 5312
4.	Auditors Fee	Administrative Expense	Yes	Bangalore	Karnataka	00.22	-	-	-
<b>TOTAL</b>						<b>34.76</b>			

(a) Amount spent in Administrative Overheads: Rs. 0.22 Lakhs

(b) Amount spent on Impact Assessment, if applicable

(c) Total amount spent for the Financial Year (8b+8c+8d+8e)

(d) Excess amount for set off, if any

**FEDERAL-MOGUL TPR (INDIA) LIMITED**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	34,76,703
(ii)	Total amount spent for the Financial Year	34,76,703
(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)]	

**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>						



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in Rs.)	(7) Amount spent on the project in the reporting Financial Year (in Rs)	(8) Cumulative amount spent at the end of reporting Financial Year (in Rs.)	(9) Status of the project- Completed/ Ongoing
1.								
2.								
3.								
	TOTAL							

### 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).

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- 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) NOT APPLICABLE not written.

### 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, 14<sup>th</sup> 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.

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

Date: 16<sup>th</sup> May, 2022  
Place: Gurugram

**Vinod Kumar Hans**  
Chairman- CSR Committee & Director  
DIN: 03328309



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 a bled 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 centers 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.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### 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

1. We have audited the accompanying financial statements of Federal-Mogul TPR (India) Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information obtained at the date of

this auditor's report is information included in the directors' 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 in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors' 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

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under Section 133 of the Act 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 of 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.

6. In preparing the financial statements,

the Board of Directors are 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, specified under Section 143(10) of the Act 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has a d e q u a t e internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;



## FEDERAL-MOGUL TPR (INDIA) LIMITED

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' 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; and
- 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

10. 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.

### Report on Other Legal and Regulatory Requirements

11. As required by Section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure A, 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 purpose of our

audit of the accompanying financial statements;

- 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;
- c) The financial statements dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31<sup>st</sup> March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B, wherein we have expressed an unmodified opinion; and
- g) 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, as detailed in note 28 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31<sup>st</sup> March 2022;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31<sup>st</sup> March 2022;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2022; and

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 44 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other

persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 44 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether 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 such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

iv. The final dividend paid by the Company during the year ended 31<sup>st</sup> March 2022 in respect of such dividend declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 27 to the accompanying financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31<sup>st</sup> March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed to be declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandiok & Co LLP**

Chartered Accountants  
Firm's Registration No.:  
001076N/N500013

**Ankit Mehra**

Partner  
Membership No.:507429  
UDIN: 22507429AJAYCU3470  
Place: Gurugram  
Date: 16<sup>th</sup> May 2022



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Federal-Mogul TPR (India) Limited on the financial statements for the year ended 31<sup>st</sup> March 2022

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 report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment including right of use assets.  
(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment and right of use assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventories at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks or financial institutions based on the security of current assets during the year. The quarterly returns, in respect of the working capital limits have been filed by the Company with such banks or financial institutions and such returns are in agreement with the books of account of the Company for the respective periods, which were not subject to audit.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of Section 148 of the Act only in respect of specified products of the Company. For such products, we have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under the aforesaid section, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, service tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

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
Finance Act, 1994 Service tax	Service tax	73.77	-	2006-2009	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994 Service tax	Service tax	233.38	17.50	2010-2013	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994 Service tax	Service tax	43.30	7.58	2013-2014	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994 Service tax	Service tax	47.73	8.35	2014-2015	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994 Service tax	Service tax	51.85	3.89	2014-2016	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994 Service tax	Service tax	42.98	4.29	2015-2017	Commissioner of Central Excise, Bangalore
Finance Act, 1994 Service tax	Service tax	76.74	7.68	2016-2017	Commissioner of Central Excise, Bangalore



## FEDERAL-MOGUL TPR (INDIA) LIMITED

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.  
(b) According to the information and explanations given to us including confirmations received from banks/ financial institution or other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.  
(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.  
(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous year. Accordingly, reporting under clause 3(ix) (d) of the Order is not applicable to the Company.  
(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.  
(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.  
(b) No report under Section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.  
(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under Section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under Section 177 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under Section 138 of the Act which is commensurate with the size and nature of its business.  
(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management 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 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) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Ankit Mehra**

Partner

Membership No.: 507429

UDIN: 22507429AJAYCU3470

Place : Gurugram

Date : 16<sup>th</sup> May 2022



**Annexure B to the Independent Auditor's Report of even date to the members of Federal- Mogul TPR (India) Limited on the financial statements for the year ended 31<sup>st</sup> March 2022**

**Annexure B**

**Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of **Federal-Mogul TPR (India) Limited** ('the Company') as at and for the year ended 31<sup>st</sup> March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance note on the Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by The Institute of Chartered Accountants of India (the '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 the Company's business, including adherence to the 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 Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.
4. 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 includes obtaining an understanding of such internal financial controls, 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.
5. 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**

6. A company's internal financial controls 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 controls with reference to financial statements include 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.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

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### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. 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. 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 controls 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

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Ankit Mehra**

Partner

Membership No.: 507429

UDIN: 22507429AJAYCU3470

Place: Gurugram

Date: 16<sup>th</sup> May 2022

**FEDERAL-MOGUL TPR (INDIA) LIMITED****Balance Sheet as at 31<sup>st</sup> March 2022***(All amounts in Rs. lacs, unless otherwise stated)*

	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,303.84	3,648.45
Capital work-in-progress	3	1,398.55	748.36
Right-of-use assets	3	297.59	376.82
Income-tax assets	4	242.35	245.22
Other non-current assets	5	63.29	197.94
		<b>6,305.62</b>	<b>5,216.79</b>
<b>Current assets</b>			
Inventories	6	1,252.64	1,331.70
Financial assets			
- Trade receivables	7	1,945.53	937.71
- Cash and cash equivalents	8	6,297.63	8,330.64
Other current assets	5	72.19	63.33
		<b>9,567.99</b>	<b>10,663.38</b>
<b>TOTAL ASSETS</b>		<b>15,873.61</b>	<b>15,880.17</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	1,000.00	1,000.00
Other equity	10	12,909.56	12,509.90
		<b>13,909.56</b>	<b>13,509.90</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Lease liabilities	14	243.95	320.29
Provisions	11	219.26	238.33
Deferred tax liabilities (net)	12	204.05	219.15
		<b>667.26</b>	<b>777.77</b>
<b>Current liabilities</b>			
Financial liabilities			
- Lease liabilities	14	76.34	70.52
- Trade payables			
- total outstanding dues of micro enterprises and small enterprises	13	40.43	60.73
- total outstanding dues of creditors other than micro enterprises and small enterprises	13	980.15	1,286.60
- Other financial liabilities	15	28.28	50.87
Other current liabilities	16	103.31	115.28
Provisions	11	7.62	8.50
Current tax liabilities	16A	60.66	-
		<b>1,296.79</b>	<b>1,592.50</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,873.61</b>	<b>15,880.17</b>

The above balance sheet should be read in conjunction with the accompanying notes

This is the Balance Sheet referred to in our report of even date

**For Walker Chandio & Co LLP****Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Ankit Mehra**

Partner

Membership No.: 507429

Place: Gurugram

Date: 16<sup>th</sup> May 2022**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<sup>st</sup> March 2022

(All amounts in Rs. lacs, unless otherwise stated)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	17	10,236.01	9,070.54
Other income	18	218.45	335.66
<b>Total income</b>		<b>10,454.46</b>	<b>9,406.20</b>
<b>Expenses</b>			
Cost of materials consumed	19	3,217.39	3,033.93
Changes in inventories of finished goods and work-in-progress	20	55.25	(55.80)
Employee benefits expense	21	899.30	836.26
Finance costs	22	31.48	33.11
Depreciation expense	23	679.76	468.00
Other expenses	24	4,243.24	3,875.92
<b>Total expenses</b>		<b>9,126.42</b>	<b>8,191.42</b>
<b>Profit before tax</b>		<b>1,328.04</b>	<b>1,214.78</b>
<b>Tax expense</b>			
Current tax (including earlier years)	25	369.05	321.93
Deferred tax	13	(16.50)	(5.91)
Total tax expense		352.55	316.02
<b>Profit for the year</b>		<b>975.49</b>	<b>898.76</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		(5.57)	(4.80)
B. Income tax relating to items that will not be reclassified to profit or loss		1.40	1.21
<b>Total other comprehensive income (net of tax)</b>		<b>(4.17)</b>	<b>(3.59)</b>
<b>Total comprehensive income for the year</b>		<b>979.66</b>	<b>902.35</b>
<b>Earnings per equity share (of ₹ 10 each)</b>			
26			
Basic (₹)		9.75	8.99
Diluted (₹)		9.75	8.99

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit and Loss referred to in our report of even date.

#### For Walker Chandiook & Co LLP Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### Ankit Mehra

Partner  
Membership No.: 507429

Place: Gurugram  
Date: 16<sup>th</sup> May 2022

#### 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<sup>st</sup> March 2022

(All amounts in Rs. lacs, unless otherwise stated)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,328.04	1,214.78
Adjustments for:		
Depreciation on property, plant and equipment	679.76	468.00
Interest expense	31.48	33.11
Interest income	(175.63)	(272.78)
Loss on sale of property plant and equipments (net)	8.88	-
Unrealised foreign exchange (gain) (net)	(0.50)	(36.33)
Provision for warranties	1.17	-
Excess provision no longer required written back	(7.34)	(32.62)
Provision for doubtful debts	0.09	(2.89)
Advances written off	-	1.19
<b>Operating profit before working capital changes</b>	<b>1,865.95</b>	<b>1,372.46</b>
<b>Movement in working capital:</b>		
Decrease/(increase) in inventories	79.06	(253.12)
Decrease in other current and non-current financial assets	-	36.07
Decrease in other current and non-current assets	7.02	90.55
(Increase)/decrease in trade receivables	(1,007.91)	1,915.48
(Decrease)/increase in current and non-current provisions	(15.56)	51.30
(Decrease)/increase in other current and non-current liabilities	(12.01)	48.94
(Decrease) in trade payables	(318.90)	(194.91)
<b>Cash flow from operating activities post working capital changes</b>	<b>597.65</b>	<b>3,066.77</b>
Income tax paid (net)	(305.53)	(378.06)
<b>Net cash generated from operating activities</b>	<b>292.12</b>	<b>2,688.71</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including capital work-in-progress)	(1,818.80)	(1,234.17)
Inter-corporate deposit given during the year	-	(2,200.00)
Inter-corporate deposit payment received during the year	-	2,200.00
Interest received	175.63	308.05
Movement in other bank balances (net)	-	1,500.00
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,643.17)</b>	<b>573.88</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Lease liabilities	(99.08)	(99.08)
Interest paid	(2.88)	0.79
Payment of dividend	(580.00)	(870.00)
<b>Net cash used in financing activities</b>	<b>(681.96)</b>	<b>(968.29)</b>
(Decrease)/increase in cash and cash equivalents (A+B+C)	(2,033.01)	2,294.30
Cash and cash equivalents at the beginning of the year	8,330.64	6,036.34
<b>Cash and cash equivalents at the end of the year</b>	<b>6,297.63</b>	<b>8,330.64</b>
<b>Cash and cash equivalents as per above comprise of the following (refer note no 8) 31 March 2022</b>		<b>31 March 2021</b>
With banks - on current account	384.71	527.56
Deposits with original maturity for less than three months	5,912.92	7,803.08
	<b>6,297.63</b>	<b>8,330.64</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

This is the Cash Flow Statement referred to in our report of even date.

The Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flow'

**For Walker Chandiook & Co LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Ankit Mehra**

Partner

Membership No.: 507429

Place: Gurugram

Date: 16<sup>th</sup> May 2022

**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<sup>st</sup> March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### A) Equity share capital

Particulars	Balance as at 01 April 2020	Change in equity share capital during the year	Balance as at 31 March 2021	Change in equity share capital during the year	Balance as at 31 March 2022
Equity share capital	1,000.00	-	1,000.00	-	1,000.00

#### B) Other equity

Particulars	Reserves and surplus			Total
	General reserve	Capital redemption reserve	Retained earnings	
<b>Balance as at 01 April 2020</b>	<b>1,295.00</b>	<b>1,000.00</b>	<b>10,182.55</b>	<b>12,477.55</b>
Additions during the year:				
Profit for the year	-	-	898.76	898.76
<b>Other Comprehensive income for the year ended</b>				
Remeasurement of defined benefit obligation gain (net of tax)	-	-	3.59	3.59
Dividend paid (₹ 8.70 per share)	-	-	(870.00)	(870.00)
<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>
Additions during the year:				
Profit for the year	-	-	975.49	975.49
<b>Other Comprehensive income for the year ended</b>				
Remeasurement of defined benefit obligation gain (net of tax)	-	-	4.17	4.17
Dividend paid (₹ 5.80 per share)	-	-	(580.00)	(580.00)
<b>Balance as at 31 March 2022</b>	<b>1,295.00</b>	<b>1,000.00</b>	<b>10,614.56</b>	<b>12,909.56</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes. This is the Statement of Changes in Equity referred to in our report of even date.

#### For Walker Chandiook & Co LLP Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### Ankit Mehra

Partner

Membership No.: 507429

Place: Gurugram

Date: 16<sup>th</sup> May 2022

#### 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 2022****1. Corporate information**

Federal-Mogul TPR (India) Limited (the 'Company') is a subsidiary of Federal-Mogul Goetze (India) Limited.

The Company in technical collaboration with Teikoku Piston Ring Co. Ltd, Japan and Federal Mogul UK Investments Limited, a group company of Tenneco Inc., USA, manufactures 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, a group company of Tenneco Inc., USA.

**2. Statement of significant accounting policies****2.1 a) 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 financial statements are authorised, have been considered in preparing these financial statements.

**2.2 Recent accounting pronouncements**

On 23<sup>rd</sup> March 2022, the Ministry of Corporate Affairs ('MCA') amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1<sup>st</sup> April 2022, as below:

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 109 – Annual improvements to Ind AS**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 106 – Annual improvements to Ind AS**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

**2.3 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 read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Act.

The financial statements for the year ended 31<sup>st</sup> March 2022 were authorized and approved for issue by the Board of Directors on 16<sup>th</sup> May 2022.



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

**2.4 Summary of Significant Accounting Policies**

**a) Overall consideration**

The financial statements have been prepared using the significant accounting policies and measurement bases summarized below. These were used throughout all periods presented in the financial statements.

*Basis of preparation*

The financial statements have been prepared on going concern basis in accordance with 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.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**Operating cycle:**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

**c) 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.

**d) 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.

**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 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 a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

<b>Asset Class</b>	<b>Estimated useful life (in years)</b>
Plant & Machinery	7.5 to 21 years
Computers	3 years
Furniture and fixtures	10 years
Vehicles	8 Years

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

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.

**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 (amortisation)*

The cost of capitalised 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 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 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 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



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

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.

**j) 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. 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 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 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 for the year ended 31 March 2022**

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.

**l) 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.
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 profit and loss account.

**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 Company 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 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 fair value consideration received or receivable, 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 (refer note).

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



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

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 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

#### **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 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.

#### **p) Retirement and other employee benefits**

(i) Provident fund contributions are charged to profit and loss account, when contributions paid/payable are due to "Goetze India Limited Provident Fund Trust", administered by the trustees and to the Regional Provident Fund Commissioners. The Company accrues for the deficit in the Provident Fund trust as per the books of accounts of the Trust.

(ii) Gratuity liability under the Payment of Gratuity Act is accrued on the basis of an actuarial valuation made at the end of each 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 other comprehensive income in the year in which such gains or losses are determined.





**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

(iii) Short term compensated absences are provided for based on estimates. Long term compensation liability for leave encashment 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.

(iv) Superannuation Benefit

The Company has superannuation obligation administered with Life Insurance Corporation of India (LIC). Contributions to the defined contribution scheme are charged to profit and loss account when contributions paid/ payable are due to such fund. There are no other obligations other than the contribution payable to the respective trusts.

(v) 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 statement of profit and loss during the period in which the employee renders the related service.

**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 in India.

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 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 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).

**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 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.

*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 2022**

- 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.

**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**

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.

**v) Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

*Significant management judgements*

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**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.

**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.

**Contingent liabilities** - 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.

**Provisions** – 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 warranties and guarantees. However, the actual future outcome may be different from this judgement.

*Significant estimates*

**Recoverability of advances/receivables** - At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**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 financial statement for the year ended 31<sup>st</sup> March 2022**
**3. Property plant and equipments**

	Furniture and fittings and office equipments	Plant and machinery	Vehicles	Total	Right-of -use assets (ROU)	Capital work-in -progress
<b>Gross carrying amount</b>						
Opening gross carrying amount as on 1 April 2020	59.62	8,593.40	4.23	8,657.25	320.34	632.88
Additions	-	653.97	-	653.97	212.07	718.96
Disposals /adjustments	-	-	-	-	-	(603.48)
<b>Gross carrying amount as on 31 March 2021</b>	<b>59.62</b>	<b>9,247.37</b>	<b>4.23</b>	<b>9,311.22</b>	<b>532.41</b>	<b>748.36</b>
<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	748.36
Additions	-	1,264.80	-	1,264.80	-	1,855.95
Disposals /adjustments	-	(177.64)	-	(177.64)	-	(1,205.76)
<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>1,398.55</b>
<b>Accumulated depreciation</b>						
Opening accumulated depreciation as on 01 April 2020	20.77	5,242.63	1.50	5,264.90	85.46	
Depreciation charge during the year	4.50	392.91	0.46	397.87	70.13	
Disposals / Adjustments	-	-	-	-	-	
<b>Closing accumulated depreciation as on 31 March 2021</b>	<b>25.27</b>	<b>5,635.54</b>	<b>1.96</b>	<b>5,662.77</b>	<b>155.59</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>Net carrying amount as on 31 March 2021</b>	<b>34.35</b>	<b>3,611.83</b>	<b>2.27</b>	<b>3,648.45</b>	<b>376.82</b>	<b>748.36</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>1,398.55</b>

Refer note no. 43 for disclosure on capital commitments.

There is no property plant and equipments which are pledged or under lien.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

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

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	429.18	573.91	-	395.46	1,398.55
Project temporarily suspended	-	-	-	-	-

As at 31 March 2021	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	319.53	33.38	395.46	-	748.36
Project temporarily suspended	-	-	-	-	-

#### 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 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

As at 31 March 2021	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
None	-	-	-	-	-



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 4. Income-tax assets

	As at 31 March 2022	As at 31 March 2021
Income-tax assets		
Advance taxes paid (net of provision for tax)	242.35	245.22
	<b>242.35</b>	<b>245.22</b>

#### 5. Other assets

	As at		As at	
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	Non current	Current	Non current	Current
Capital advances (Unsecured, considered good)	-	-	118.76	-
Advances other than capital advance	-	18.57	-	22.40
Prepaid expenses	12.55	34.26	-	13.30
Paid to government authorities under protest	50.74	-	79.18	-
Other receivables	-	19.36	-	27.63
	<b>63.29</b>	<b>72.19</b>	<b>197.94</b>	<b>63.33</b>

#### 6. Inventories (Valued at lower of cost and net realisable value)

	As at 31 March 2022	As at 31 March 2021
Raw material and components (includes stock in transit of Nil (previous year ₹200.13 lacs)	667.46	677.00
Stores and spares (includes stock in transit of ₹ 8.19 lacs (previous year Nil)	110.59	124.86
Work-in-progress	295.05	319.79
Finished goods	179.54	210.05
	<b>1,252.64</b>	<b>1,331.70</b>

Note : The cost of inventories recognised as an expense includes ₹ 17.98 lacs (previous year ₹ 16.05 lacs) in respect of write-downs of inventory to net realisable value. The same has been included in note 19 and 20.

#### 7. Trade receivables

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	1,945.53	937.71
Unsecured, significant increase in credit risk	8.67	8.90
	<b>1,954.20</b>	946.61
Less: Allowance for expected credit loss	(8.67)	(8.90)
	<b>1,945.53</b>	<b>937.71</b>

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 36 for Allowance for expected credit loss.

3. Refer note 38 for balances due from related party.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### Trade receivables ageing schedule as at 31 March 2022

Particulars	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>

#### Trade receivables ageing schedule as at 31 March 2021

Particulars	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	902.14	15.76	0.63	11.59	0.09	7.49	937.71
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	8.90	8.90
(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>902.14</b>	<b>15.76</b>	<b>0.63</b>	<b>11.59</b>	<b>0.09</b>	<b>16.39</b>	<b>946.61</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 8. Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with scheduled banks:		
- Current accounts	384.71	527.56
Deposits with original maturity for less than three months	5,912.92	7,803.08
	<b>6,297.63</b>	<b>8,330.64</b>

#### 9. Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Authorized shares</b>		
10,000,000 equity shares (previous year: 10,000,000 equity shares) of ₹ 10/- each.	1,000.00	1,000.00
1,000,000 6% redeemable cumulative preference shares (previous year: 1,000,000) of ₹ 100 each	1,000.00	1,000.00
	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
10,000,000 equity shares (previous year: 10,000,000 equity shares) of ₹ 10 each.	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>

#### (b) Right/restriction attached to equity shares.

- i) The Company has only one class of equity shares having par value of ₹ 10 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.

#### (c) Shares held by Holding/ Ultimate Holding Company and/ or their subsidiaries/ associates

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No.	% holding	No.	% holding
<b>Equity shares of ₹ 10- fully paid</b>				
Federal-Mogul Goetze (India) Limited, India	51,00,000	51.00%	51,00,000	51.00%
Federal Mogul UK Investment Limited, UK	9,00,000	9.00%	9,00,000	9.00%



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### (d) Details of shares held by promoters of the Company.

Name of the Promoter	As at 31 March 2022			As at 31 March 2021		
	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	51,00,000	51.00%	-	51,00,000	51.00%	-
Federal Mogul UK Investment Limited, UK	9,00,000	9.00%	-	9,00,000	9.00%	-
TPR Co. Limited, Japan	40,00,000	40.00%	-	40,00,000	40.00%	-

#### (e) Details of shareholders holding more than 5% shares in the Company.

Name of the shareholder*	As at 31 March 2022		As at 31 March 2021	
	No.	% holding	No.	% holding
<b>Equity shares of ₹ 10- fully paid</b>				
Federal-Mogul Goetze (India) Limited, India	<b>51,00,000</b>	<b>51.00%</b>	51,00,000	51.00%
Federal Mogul UK Investment Limited, UK	<b>9,00,000</b>	<b>9.00%</b>	9,00,000	9.00%
TPR Co. Limited, Japan	<b>40,00,000</b>	<b>40.00%</b>	40,00,000	40.00%

\*The above information is furnished as per the shareholder register at the year end.

(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.



**Notes to financial statement for the year ended 31 March 2022***(All amounts in Rs. lacs, unless otherwise stated)***10. Other equity**

	As at 31 March 2022	As at 31 March 2021
<b>General Reserve</b>		
Balance at the beginning of the year	1,295.00	1,295.00
	<b>1,295.00</b>	<b>1,295.00</b>
Capital redemption reserve		
Balance at the beginning 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	10,214.90	10,182.55
Add: profit for the year	975.49	898.76
Items of other comprehensive income recognised directly in retained earnings:		
Add: Remeasurements of the post employment defined benefit plans gain (net of tax)	4.17	3.59
Less: Dividend paid	(580.00)	(870.00)
	<b>10,614.55</b>	<b>10,214.90</b>
	<b>12,909.55</b>	<b>12,509.90</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.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 11. Provisions

	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
<b>Provision for employee benefits (refer Note no 41)</b>				
Provision for gratuity	152.24	3.69	136.12	3.09
Provision for compensated absences	37.07	3.93	39.10	5.41
Provision for regulatory matters (refer note (a) below)	29.95	-	63.11	-
	<b>219.26</b>	<b>7.62</b>	<b>238.33</b>	<b>8.50</b>

#### Note (a)

<b>Movement of provision for regulatory matters</b>	<b>31 March 2022 Amount</b>	<b>31 March 2021 Amount</b>
Opening balance	<b>63.11</b>	42.83
Provision/adjustments made during the year	-	20.28
Utilised/reversed during the year	<b>(33.16)</b>	-
Closing balance	<b>29.95</b>	<b>63.11</b>

#### 12. Deferred tax liabilities (net)

	<b>As at 1 April 2020</b>	Recognised in statement of profit & loss	Recognised in other comprehen- sive income	<b>As at 31 March 2021</b>	Recognised in statement of profit & loss	Recognised in other comprehen- sive income	<b>As at 31 March 2022</b>
<b>Deferred tax liabilities</b>							
On account of difference in written down value of property, plant and equipment	<b>284.37</b>	<b>5.97</b>	-	<b>290.34</b>	<b>(20.28)</b>	-	<b>270.06</b>
<b>Deferred tax assets</b>							
Provision for employees benefits	<b>39.69</b>	<b>11.54</b>	<b>(1.21)</b>	<b>50.02</b>	<b>0.95</b>	<b>(1.40)</b>	<b>49.57</b>
Provision for doubtful debts and advances	<b>3.15</b>	<b>(0.91)</b>	-	<b>2.24</b>	<b>(0.06)</b>	-	<b>2.18</b>
Others	<b>17.68</b>	<b>1.25</b>	-	<b>18.93</b>	<b>(4.67)</b>	-	<b>14.26</b>
<b>Total deferred tax assets</b>	<b>60.52</b>	<b>11.88</b>	<b>(1.21)</b>	<b>71.19</b>	<b>(3.78)</b>	<b>(1.40)</b>	<b>66.01</b>
<b>Deferred tax liabilities (net)</b>	<b>223.85</b>	<b>(5.91)</b>	<b>1.21</b>	<b>219.15</b>	<b>(16.50)</b>	<b>1.40</b>	<b>204.05</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 13. Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Dues of micro and small enterprises (refer note no 33 for details of dues to micro and small enterprises)	40.43	60.73
Dues of creditors other than micro and small enterprises	980.15	1,286.60
	<b>1,020.58</b>	<b>1,347.33</b>

Refer note 38 for balances due to related party.

#### Trade payables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Due to micro and small enterprises	40.43	-	-	-	40.43
(ii) Others	977.74	2.40	0.01	-	980.15
(iii) Disputed dues — Micro and small enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,018.17</b>	<b>2.40</b>	<b>0.01</b>	<b>-</b>	<b>1,020.58</b>

#### Trade payables ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Due to micro and small enterprises	60.73	-	-	-	60.73
(ii) Others	1,278.24	8.36	-	-	1,286.60
(iii) Disputed dues — Micro and small enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,338.97</b>	<b>8.36</b>	<b>-</b>	<b>-</b>	<b>1,347.33</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 14. Lease liabilities

	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Lease liabilities	243.95	76.34	320.29	70.52
	<b>243.95</b>	<b>76.34</b>	<b>320.29</b>	<b>70.52</b>

#### 15. Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Payables to capital creditors	28.28	50.87
	<b>28.28</b>	<b>50.87</b>

#### 16. Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advance from customers	4.18	16.90
Statutory liabilities	99.09	96.68
Others	0.04	1.70
	<b>103.31</b>	<b>115.28</b>

#### 16 A. Current tax liabilities

	As at 31 March 2022	As at 31 March 2021
Current tax liabilities	60.66	-
	<b>60.66</b>	<b>-</b>

**Notes to financial statement for the year ended 31 March 2022**
*(All amounts in Rs. lacs, unless otherwise stated)*
**17. Revenue from operations**

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Sale of goods	10,224.52	9,063.46
<b>Other operating revenue</b>		
Scrap sales	11.49	7.08
<b>Revenue from operations</b>	<b>10,236.01</b>	<b>9,070.54</b>

**18. Other income**

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on		
Fixed deposits with banks	175.63	257.86
Others*	-	14.92
Foreign exchange fluctuation (net)	34.07	8.69
Excess provision no longer required written back	7.34	35.51
Miscellaneous income	1.41	18.68
	<b>218.45</b>	<b>335.66</b>

\*including interest on intercompany deposits

**19. Cost of material consumed**

	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock	476.87	510.64
Add: Purchases	3,407.98	3,000.16
Less: closing stock	(667.46)	(476.87)
<b>Raw material consumption</b>	<b>3,217.39</b>	<b>3,033.93</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 20. Changes in inventories of finished goods and work-in-progress

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Opening stock</b>		
Work-in-progress	319.79	231.42
Finished goods	210.05	242.62
	<b>529.84</b>	<b>474.04</b>
Less: closing stock		
Work-in-progress	295.05	319.79
Finished goods	179.54	210.05
	<b>474.59</b>	<b>529.84</b>
	<b>55.25</b>	<b>(55.80)</b>

#### 21. Employee benefits expense

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	837.51	758.05
Contribution to provident and other funds	34.57	34.47
Gratuity expense (refer note no. 41)	23.06	20.70
Staff welfare expenses	4.16	23.04
	<b>899.30</b>	<b>836.26</b>

#### 22. Finance cost

	Year ended 31 March 2022	Year ended 31 March 2021
Interest		
- to others	31.48	33.11
	<b>31.48</b>	<b>33.11</b>

#### 23. Depreciation expense (refer note no 3)

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipments	600.53	397.87
Depreciation of right-of-use assets	79.23	70.13
	<b>679.76</b>	<b>468.00</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 4. Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of stores and spares	995.16	845.15
Sub-contracting expenses	61.29	64.27
Job work expenses	1,459.11	1,350.99
Power and fuel	206.98	196.68
Freight and forwarding charges	50.35	69.59
Rent (refer note 30)	3.77	12.41
Rates and taxes	10.98	21.40
Insurance	26.35	25.93
Repairs and maintenance		
Plant and machinery	20.26	20.71
Buildings	6.31	0.40
Others	10.54	0.07
Selling and distribution expense	27.14	36.55
Management support charges	636.42	581.50
Royalty and trade-mark license fees	132.94	103.28
Sole selling commission	450.76	401.67
Product rectification charges	1.17	0.74
Travelling and conveyance	3.43	2.01
Corporate social responsibility expense (refer note no.32)	34.83	42.85
Printing and stationery	3.52	2.24
Legal and professional fees	63.41	66.71
Auditors remuneration (refer details below)*	7.83	7.25
Advances written off	-	1.28
Allowance for expected credit loss and doubtful advances	0.09	-
Loss on sale of property plant and equipment (net)	8.88	-
Bank charges	11.54	11.38
Miscellaneous expenses	10.18	10.86
	<b>4,243.24</b>	<b>3,875.92</b>

#### \*Auditors remuneration

- Statutory audit fee	6.83	6.25
- Tax audit fee	1.00	1.00
	<b>7.83</b>	<b>7.25</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 25. Tax expense

	Year Ended 31 March 2022	Year Ended 31 March 2021
Current tax	360.46	339.92
Tax related to earlier years	8.59	(17.99)
Deferred tax	(16.50)	(5.91)
	<b>352.55</b>	<b>316.02</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>1,328.04</b>	<b>1,214.78</b>
At country's statutory income tax rate of 25.17% (previous year: 25.17%)	334.24	305.74
Tax effect on permanent non deductible expenses	11.02	13.37
Tax related to earlier years	8.59	(17.99)
Other	(1.30)	14.90
	<b>352.55</b>	<b>316.02</b>
<b>Tax rate</b>		
Base rate	22.00%	22.00%
Surcharge	2.20%	2.20%
Education cess	0.97%	0.97%
Total	<b>25.17%</b>	<b>25.17%</b>

#### 26. Earnings per share

	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year as per statement of profit and loss	975.49	898.76
Weighted average number of equity shares in calculating basic and diluted EPS	1,00,00,000	1,00,00,000
Nominal value of shares (₹)	10.00	10.00
Earning per share - basic and diluted (₹)	9.75	8.99

#### 27. Event occurring after the reporting period

During the year 31 March 2022, the amount of per share dividend proposed by the Board of Directors to equity shareholders is ₹ 6.25 (previous year ₹ 5.80). The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing General meeting.





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 28. Contingent liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Service tax &amp; Excise duty</b>		
(a) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	569.75	584.09
<b>(ii) Income tax</b>		
(a) Show cause notices on issues yet to be adjudicated	9.79	9.75
<b>(iii) Sales tax</b>		
(a) Cases pending before Appellate authorities/ Dispute resolution panel in respect of which the Company has filed appeals	-	449.27

#### 29. Segment information

In accordance with Indian Accounting Standard 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 ₹ 8,088.88 Lacs (previous year ₹ 8,188.23 Lacs). No other single customer represents 10% or more to the revenue of the Company for financial year ended 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.

#### Geographical information in respect of revenue from customer is given below:

Particulars	As at 31 March 2022	As at 31 March 2021
India	10,131.64	9,063.46
Other countries	92.88	-
	10,224.52	9,063.46

#### Geographical information in respect of Trade receivable is given below:

Particulars	As at 31 March 2022	As at 31 March 2021
India	1,940.96	937.71
Other countries	4.57	-
	1,945.53	937.71



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 30. Leases

##### (i) Lease liabilities

The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2022

Particulars	As at 31 March 2022
Non-current lease liabilities	243.95
Current lease liabilities	76.34
	<b>320.29</b>

The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2021

Particulars	As at 31 March 2021
Non-current lease liabilities	320.29
Current lease liabilities	70.52
	<b>390.81</b>

The following is the movement in lease liabilities for the year ended 31 March 2022

Particulars	As at 31 March 2022
<b>As at 01 April 2021</b>	390.81
Additions	-
Interest on lease liabilities	28.56
Deletions	-
Payment of lease liabilities	(99.08)
	<b>320.29</b>

The following is the movement in lease liabilities for the year ended 31 March 2021

Particulars	As at 31 March 2021
<b>As at 01 April 2020</b>	243.98
Additions	212.07
Interest on lease liabilities	33.84
Deletions	-
Payment of lease liabilities	(99.08)
	<b>390.81</b>

**Notes to financial statement for the year ended 31 March 2022**
*(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.

Particulars	As at 31 March 2021
Less than one year	99.08
One to five years	371.55
More than five years	-

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

Particulars	As at 31 March 2022
Less than one year	<b>99.08</b>
One to five years	<b>272.47</b>
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:

Particulars	As at 31 March 2021
Depreciation expense of right-of-use assets	70.13
Interest expense on lease liabilities	33.84
Expense relating to short-term leases (included in other expenses)	12.41
	<b>116.38</b>

The following are the amounts recognised in profit or loss:

Particulars	As at 31 March 2022
Depreciation expense of right-of-use assets	<b>79.23</b>
Interest expense on lease liabilities	<b>28.56</b>
Expense relating to short-term leases (included in other expenses)	<b>3.77</b>
	<b>111.56</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### (ii) Lease related disclosures

- (a) The Company has leases for buildings. 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 buildings.
- (b) Total cash outflow for leases for the year ended 31 March 2022 was ₹ 99.08 lacs (previous year ₹ 99.08 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
Buildings	1	45 months	45 months	1	-	1

- (e) There are no leases which are yet to commence as on 31<sup>st</sup> March 2022.

31. 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.

#### 32. 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 ₹ 34.77 lacs (previous year ₹ 42.79 lacs)
- b) Amount spent during the year on:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	34.83	42.85
	<b>34.83</b>	<b>42.85</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.
- e) The Company does not wish to carry forward any excess amount spent during the year.
- f) Details of excess amount spent:

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance*
-	34.77	34.83	-


**Notes to financial statement for the year ended 31 March 2022**
*(All amounts in Rs. lacs, unless otherwise stated)*

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
-	-	34.77	34.83	-	-	-

\* refer point (e) of note no. 32

h) There is no shortfall in CSR expenditure at the end of the year.

**33.** 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:

Particulars	As at 31 March 2022	As at 31 March 2021
a) The principal amount remaining unpaid as at the end of year	40.43	60.73
b) Interest due on above principal and remaining unpaid as at the end of the year	-	-
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.	0.04	0.06
e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.04	1.69
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	-	-

**34. Assets pledged as security**

The carrying amounts of assets pledged as security for borrowings are:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current assets</b>		
Inventories, cash and cash equivalents and trade receivables	9,495.80	10,600.05
<b>Total current assets pledged as security</b>	<b>9,495.80</b>	<b>10,600.05</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 35. 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) 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.

#### 36. Financial risk management

##### i) Financial instruments by category

Particulars	Classification	As at	As at
		31 March 2022	31 March 2021
<b>Financial assets</b>			
Trade receivables	Amortised cost	1,945.53	937.71
Cash and cash equivalents	Amortised cost	6,297.63	8,330.64
<b>Total</b>		<b>8,243.16</b>	<b>9,268.35</b>
<b>Financial liabilities</b>			
Trade payable	Amortised cost	1,020.59	1347.33
Lease Liabilities	Amortised cost	320.29	390.81
Other financial liabilities	Amortised cost	28.28	50.87
<b>Total</b>		<b>1,369.15</b>	<b>1,789.01</b>

**Notes to financial statement for the year ended 31 March 2022***(All amounts in Rs. lacs, unless otherwise stated)***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 and financial institutions.
- intercorporate deposits

**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 ratings 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 rating	Particulars	As at 31 March 2022	As at 31 March 2021
A: Low	Other bank balances	-	-
	Cash and cash equivalents	<b>6,297.63</b>	8,330.64
	Other financial assets	-	-
	Trade receivables	<b>1,945.53</b>	937.71
B: High	Trade receivables	<b>8.67</b>	8.90

*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, intercorporate 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.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 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.

Particulars	As at 31 March 2022		As at 31 March 2021	
	>365 days	<=365 days	>365 days	<=365 days
Gross amount of trade receivables where no default (as defined above) has occurred	8.67	1,945.53	8.90	937.71
Expected loss rate	100%	0.00%	100%	0.00%
Expected credit loss( loss allowance provision)	8.67	0.00	12.52	-

#### Reconciliation of loss provision – lifetime expected credit losses

Reconciliation of loss allowance	Trade receivable
<b>Loss allowance on 1 April 2020</b>	12.52
Impairment loss recognised/reversed during the year	(3.62)
<b>Loss allowance on 31 March 2021</b>	<b>8.90</b>
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>

#### 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.





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

31 March 2022	less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payable	1,020.59	-	-	-	1,020.59
Lease liabilities	99.08	198.16	74.31	-	371.55
Other financial liabilities	28.28	-	-	-	28.28
<b>Total</b>	<b>1,147.95</b>	<b>198.16</b>	<b>74.31</b>	<b>-</b>	<b>1,420.42</b>

31 March 2021	less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payable	1,347.33	-	-	-	1,347.33
Lease liabilities	99.08	198.16	173.39	-	470.63
Other financial liabilities	50.87	-	-	-	50.87
<b>Total</b>	<b>1497.28</b>	<b>198.16</b>	<b>173.39</b>	<b>-</b>	<b>1868.83</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 and Japanese Yen. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Company entities. 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 exposure to foreign currency risk at the end of the reporting period expressed in Rs are as follows

Particulars	FC	As at 31 March 2022	As at 31 March 2021
<b>Financial liabilities- Trade payable</b>			
	USD	8.01	95.08
	EUR	18.00	-
	JPY	256.53	295.70
	CNY	32.00	59.40
<b>Net exposure to foreign currency risk (liabilities)</b>		<b>314.54</b>	<b>450.18</b>



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(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.

Particulars	As at 31 March 2022	As at 31 March 2021
<b>USD sensitivity</b>		
INR/USD- increase by 500 bp (previous year: 500 bp)*	(0.40)	(4.75)
INR/USD- decrease by 500 bp (previous year: 500 bp)*	0.40	4.75
<b>EUR 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)*	(12.83)	(14.78)
INR/JPY- decrease by 500 bp (previous year: 500 bp)*	12.83	14.78
<b>CNY sensitivity</b>		
INR/CNY- increase by 500 bp (previous year: 500 bp)*	(1.60)	(2.97)
INR/CNY- decrease by 500 bp (previous year: 500 bp)*	1.60	2.97

\* Holding all other variables constant

#### 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.

#### c) Price risk

The Company does not have significant investments in equity instruments which create an exposure to price risk.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 37. 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.

Particulars	As at 31 March 2022	As at 31 March 2021
Total debt	-	-
Total equity	<b>13,909.56</b>	13,509.90
<b>Equity ratio</b>	<b>100.00%</b>	<b>100.00%</b>

#### 38. Related party disclosures

##### Fellow and step fellow subsidiaries

Name of the Party	Nature of relationship
Tennoco Inc. (USA)	Ultimate Holding Company
Federal-Mogul Goetze (India) Limited	Holding Company
Federal Mogul UK Investments Limited	Common control with Holding Company
Teikoku Piston Ring Co. Limited, Japan	Common control with Holding Company
Anqing Tp Goetze Piston, China	Common control with Holding Company
PT TPR, Indonesia	Common control with Holding Company
TPR(Tianjin).,Ltd	Common control with Holding Company
Federal Mogul TP Europe GMBH & Co KG, Burscheid JV	Fellow subsidiary
Motocare India Private Limited	Fellow subsidiary
TPR Co. Auto Parts Mfg India Ltd	Fellow subsidiary
Federal Mogul Burscheid GMBH, (Germany)	Fellow subsidiary
Mr. Vinod Kumar Hans	Director
Mr. Krishnamurthy Naga Subramaniam	Director
Mr. Khalid Iqbal Khan	Director
Mr. Takehiko Karasawa	Director
Mr. Manish Chadha	Chief Finance Officer and Director
Mr. Rajesh Sinha	Director
Mr. Toshiaki Imai	Director
Mr. Abhishek Nagar	Company Secretary
Mr. Kapil Arora (Till 18 April 2020)	Manager



**Notes to financial statement for the year ended 31 March 2022**  
(All amounts in Rs. lacs, unless otherwise stated)

**38. (ii) Related Party Transactions**

Particulars	Holding Company		Common Control with holding Co.					
	Federal Mogul Goetze (India) Ltd.		Federal Mogul UK Investment Limited	TPR Co. Limited Japan	Anquing TP Goetze Piston	PT TPR Indonesia	TPR (Tianjin), Limited	
	31 March 2022 Year ended	31 March 2021 Year ended	31 March 2022 Year ended	31 March 2021 Year ended	31 March 2022 Year ended	31 March 2021 Year ended	31 March 2022 Year ended	
Sales#	7,026.15	5,886.70	-	-	-	-	-	
Purchase of raw material, intermediaries and finished goods#	1,535.32	1,428.14	-	(2.33)	-	-	-	
Purchase of property, plant and equipment #	699.54	309.27	-	10.60	7.55	100.84	8.48	
Dividend Paid	295.80	443.70	52.20	84.20	-	-	-	
Management support charges	636.42	581.50	-	232.00	-	-	-	
Job work expenses	1,459.11	1,350.99	-	-	-	-	-	
Sole selling commission paid	450.76	401.67	-	-	-	-	-	
Expenses incurred on Company's behalf	-	-	-	-	-	-	-	
Rent expense	99.08	99.08	-	-	-	-	-	
Royalty Expense	-	-	-	-	-	-	-	
Commission-paid	-	-	132.94	103.28	-	-	-	
Inter-Corporate Deposit (ICD) given	-	2,200.00	-	-	-	-	-	
Inter-Corporate Deposit (ICD) received back	-	2,200.00	-	-	-	-	-	
Interest on ICD	-	14.92	-	-	-	-	-	
<b>Closing balance as on 31 March 2022</b>								
Balance outstanding as at the end of the year Receivable	1,220.36	239.96	-	0.33	9.59	1.68	-	
Balance outstanding as at the end of the year (Payable)	(42.22)	(36.28)	-	(30.68)	-	(2.42)	-	



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 38. (ii) Related Party Transactions

Particulars	Fellow subsidiary								Total	
	Motocare India Private Limited		Federal Mogul Burscheid GmbH, (Germany)		Federal Mogul TP Europe GmbH & Co KG, Burscheid JV		TPR Co. Auto Parts Mfg India Limited			
	31 March 2022 Year ended	31 March 2021 Year ended	31 March 2022 Year ended	31 March 2021 Year ended	31 March 2022 Year ended	31 March 2021 Year ended	31 March 2022 Year ended	31 March 2021 Year ended	31 March 2022 Year ended	31 March 2021 Year ended
Sales#	6.84	4.04	-	-	-	-	-	-	7,123.76	5,888.40
Purchase of raw material, intermediaries and finished goods#	-	-	(0.74)	-	11.71	-	-	-	1,625.55	1,555.61
Purchase of property, plant and equipment #	-	-	29.76	-	-	-	-	-	783.73	330.55
Dividend Paid	-	-	-	-	-	-	-	-	580.00	870.00
Management support charges	-	-	-	-	-	-	-	-	636.42	581.50
Job work expenses	-	-	-	-	-	-	-	-	1,459.11	1,350.99
Sole selling commission paid	-	-	-	-	-	-	-	-	450.76	401.67
Expenses incurred on Company's behalf	20.20	29.31	-	-	-	-	-	-	20.20	29.31
Rent expense	-	-	-	-	-	-	-	-	99.08	99.08
Royalty Expense	-	-	-	-	-	-	-	-	132.94	103.28
Commission-paid	-	-	-	-	-	-	18.78	23.69	18.78	23.69
Inter-Corporate Deposit (ICD) given	-	-	-	-	-	-	-	-	-	2,200.00
Inter-Corporate Deposit (ICD) received back	-	-	-	-	-	-	-	-	-	2,200.00
Interest on ICD	-	-	-	-	-	-	-	-	-	14.92
<b>Closing balance as on 31 March 2022</b>										
Balance outstanding as at the end of the year Receivable	1.20	4.19	-	-	0.87	-	-	-	1,234.02	252.62
Balance outstanding as at the end of the year (Payable)	(4.87)	(8.93)	(22.65)	-	-	(0.28)	(5.06)	(6.10)	(85.27)	(149.05)

Key Managerial personnel-Remuneration*						Non-executive director Director's sitting fees	
Mr. Kapil Arora		Mr. Abhishek Nagar		Mr. Toshiaki Imai		Mr. Krishnamurthy Naga Subramaniam	
31 March 2022 Year ended	31 March 2021 Year ended	31 March 2022 Year ended	31 March 2021 Year ended	31 March 2022 Year ended	31 March 2021 Year ended	31 March 2022 Year ended	31 March 2021 Year ended
-	9.33	33.47	29.66	48.49	47.00	3.75	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 inclusive of GST (wherever applicable). Sales are net of the sales return.



## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 39. 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:

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Revenue from contracts with customers		
Sale of products	10,131.64	9,063.46
Export	92.88	-
Other operating income	11.49	7.08
<b>Total revenue covered under Ind AS 115</b>	<b>10,236.01</b>	<b>9,070.54</b>

##### c. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Contract liabilities</b>		
Advances from consumers	4.18	16.90
<b>Total contract liabilities</b>	<b>4.18</b>	<b>16.90</b>
<b>Receivables</b>		
Trade receivables	1,954.20	946.61
Less : Allowances for expected credit loss	(8.67)	(8.90)
<b>Net receivables</b>	<b>1,945.54</b>	<b>937.71</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 financial statement for the year ended 31 March 2022**

(All amounts in Rs. lacs, unless otherwise stated)

**d. Significant changes in the contract assets and the contract liabilities balances during the year are as follows:**

Particulars	Year Ended	Year Ended
	31 March 2022	31 March 2021
	Contract Liabilities	Contract Liabilities
	Advances from customers	Advances from customers
<b>Opening balance</b>	<b>16.90</b>	4.17
Addition during the year	<b>198.61</b>	319.18
Revenue recognised during the year/ amount refunded/adjusted during the year	<b>(211.33)</b>	(306.45)
<b>Closing balance</b>	<b>4.18</b>	<b>16.90</b>

**e. 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.

**f. 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).

**g. 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 financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### 40. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Lease liabilities	Dividend
<b>Opening balance as on 1 April 2020</b>	243.98	-
Add: Non cash changes due to-		
- Recognition of lease liabilities	212.07	-
- Interest expense	33.84	-
- Dividend including interim dividend	-	870.00
Less: Cash outflow during the year		
- Repayment of lease liabilities	(99.08)	-
- Dividend paid including interim dividend	-	(870.00)
<b>Closing balance as on 31 March 2021</b>	<b>390.81</b>	-
Add: Non cash changes due to-		
- Recognition of lease liabilities	-	-
- Interest expense	28.56	-
- Dividend including interim dividend	-	580.00
Less: Cash outflow during the year		
- Repayment of lease liabilities	(99.08)	-
- Dividend paid including interim dividend	-	(580.00)
<b>Closing balance as on 31 March 2022</b>	<b>320.29</b>	-

#### 41. Employee benefit obligations

##### A Disclosure of gratuity

##### (i) Amount recognised in the statement of profit and loss is as under:

Description	Year Ended 31 March 2022	Year Ended 31 March 2021
Current service cost	13.14	12.07
Interest cost	9.91	8.63
<b>Amount recognised in the statement of profit and loss</b>	<b>23.05</b>	<b>20.70</b>

##### (ii) Breakup of actuarial (gain)/loss:

Description	Year Ended 31 March 2022	Year Ended 31 March 2021
Actuarial (gain)/loss on arising from change in demographic assumption	-	1.46
Actuarial (gain)/loss on arising from change in financial assumption	3.96	1.00
Actuarial (gain)/loss on arising from experience adjustment	(9.53)	(7.26)
<b>Total actuarial (gain)/loss</b>	<b>(5.57)</b>	<b>(4.80)</b>



**Notes to financial statement for the year ended 31 March 2022**
*(All amounts in Rs. lacs, unless otherwise stated)*
**(iii) Movement in the liability recognised in the balance sheet is as under:**

Description	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>139.21</b>	<b>123.31</b>
Current service cost	13.14	12.07
Interest cost	9.91	8.63
Payments made directly to employees	(0.78)	-
Actuarial (gain)/loss recognised during the year	(5.57)	(4.80)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>155.92</b>	<b>139.21</b>

**(iv) Actuarial assumptions**

Description	Year Ended 31 March 2022	Year Ended 31 March 2021
Discount rate	7.40% p.a.	7.30% 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 4.3% p.a thereafter	1% p.a for workers and 4.3% p.a thereafter
Salary Increase Rate	For Worker: 3% for first 2 years and 7% thereafter, Others: 8.5% for first year and 9% thereafter	For Worker: 3% for first 3 years and 7% thereafter, Others: 8.5% for first year and 8% thereafter.

**(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 financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

#### (vi) Sensitivity analysis for gratuity liability

Description	As at 31 March 2022	As at 31 March 2021
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	<b>155.92</b>	139.21
- Impact due to increase of 0.50 %	<b>147.98</b>	131.68
- Impact due to decrease of 0.50 %	<b>164.46</b>	147.33
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	<b>155.92</b>	139.21
- Impact due to increase of 0.50 %	<b>163.19</b>	146.33
- Impact due to decrease of 0.50 %	<b>148.82</b>	132.25

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 2022
31 March 2023	3.69
31 March 2024	3.95
31 March 2025	4.26
31 March 2026	4.67
31 March 2027	5.08
31 March 2028 to 31 March 2032	87.56

#### (vii) Other employee benefit plans

Short term compensated absences are provided for based on estimates. Long term compensation liability for leave encashment 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.

**Notes to financial statement for the year ended 31 March 2022***(All amounts in Rs. lacs, unless otherwise stated)***42. Disclosure under section 186(4) of the Companies act, 2013**

<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Loans (Inter corporate deposit)</b>		
Federal-Mogul Goetze (India) Limited		
Outstanding at the beginning of the year	-	-
Given during the year	-	2,200.00
Payments received during the year	-	(2,200.00)
<b>Loans (Inter corporate deposit) at the end of the year</b>	<b>-</b>	<b>-</b>

The inter-corporate deposits taken during the year are in normal course of business.

**43. Capital commitments**

<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Property, plant and equipment (net of advances paid)	<b>15.98</b>	244.31
	<b>15.98</b>	<b>244.31</b>

**44 Additional Disclosures**

- The company does not have title deed of any immovable properties held in its name.
- 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.
- The Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- The Company has sanctioned working capital amounts from banks on the basis of security of inventories, cash and cash equivalents and trade receivables. The quarterly returns being filed by Company with banks are in line with the books of accounts.
- The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- The Company does not have any relationship with struck-off companies.
- The Company do not have any charges or satisfaction which is yet to be registered with Registrars of Companies (ROC) beyond the statutory period.
- The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- 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.
- The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments.
- The Company has not taken Loans or Advances in the nature of loan from any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments.



# FEDERAL-MOGUL TPR (INDIA) LIMITED

## Notes to financial statement for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 45. Ratios as per Schedule III requirements:

Ratio	Numerator	Denominator	Unit	31 March 2022	31 March 2021	% variance	Reason for variance
(a) Current ratio	Current assets	Current liabilities	Times	7.38	6.70	10.19%	-
(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	16.56	13.88	19.30%	-
(d) Return on equity ratio	Profit after tax for the year less Preference dividend (if any)	Average total equity	%	7.12%	6.66%	6.83%	-
(e) Inventory turnover ratio	Revenue from operations	Average inventories	Times	7.92	7.53	5.25%	-
(f) Trade receivables turnover ratio	Net credit sales	Average trade receivables	Times	7.10	4.79	48.31%	Trade receivable turnover ratio improved due to higher revenue and reduction in average trade receivables
(g) Trade payables turnover ratio	Net credit purchases	Average trade payables	Times	2.88	2.03	41.93%	Trade payable turnover ratio improved due to higher net credit purchases and reduction in average trade payables.
(h) Net capital turnover ratio	Net sales	Working capital	Times	1.24	1.00	23.76%	-
(i) Net profit ratio	Net profit after tax	Net sales	%	9.53%	9.91%	-3.82%	-
(j) Return on capital employed	Earning before interest and taxes	Capital employed = Tangible net worth + Total debt + Deferred tax liability	%	9.63%	9.09%	5.98%	-
(k) Return on investment	Income generated from invested funds	Average invested funds in treasury investments	%	2.56%	3.44%	-25.50%	Return on investment is reduced due to reduction in interest on fixed deposits with bank.

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Since there are only three instances where the change is more than 25% i.e. Trade receivables turnover ratio, Trade payables turnover ratio and Return on Investment, hence explanation is given only for the said ratios.

**Notes to financial statement for the year ended 31 March 2022**

(All amounts in Rs. lacs, unless otherwise stated)

46. The Company continues to closely monitor the impact of COVID - 19 pandemic and believes that there is, currently, no material impact on its long-term operations and financial performance of the Company. Further, the Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, thus no impact on the financials results.
47. The Indian Parliament has approved the Code on Social Security, 2020 which could have a likely impact on the contributions made by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The effective date from which the Code and applicable Rules shall be applicable is yet to be notified. The Company shall assess and evaluate the likely financial impact once the subject rules are notified and become effective.

**For Walker Chandiok & Co LLP  
Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Ankit Mehra**

Partner

Membership No.: 507249

Place: Gurugram

Date: 16<sup>th</sup> May 2022

**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

## Independent Auditors' Report

### To the Members of Federal Mogul Goetze (India) Limited

#### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. 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'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

4. 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.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

#### Key audit matter

##### Provisions and contingent liabilities relating to litigations

As disclosed in note 36 to the consolidated financial statements, the Group is involved in various direct taxes, indirect taxes, labour laws and other litigations ('litigations') that are pending with various tax authorities and courts. The Group has recognised provisions aggregating to ₹ 1635.62 lacs and disclosed contingent liabilities of ₹ 6061.92 lacs related to these litigations.

Whether a liability is recognised as a provision or disclosed as a contingent liability in the financial statements is inherently judgmental dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgements in respect to these demands against the Group.

#### How our audit addressed the key audit matter

Our audit procedures in relation to the provisions and contingent liabilities relating to litigations, 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 Group;
  - 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.
- Evaluated the design and tested the operating effectiveness of key controls around above process.

Test of details included, but were not limited to, the following-

- Obtained an understanding of the nature of litigations pending against the Group and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Group.
- Assessed the Group's assumptions and estimates in respect of litigations, including the liabilities or provisions recognised or contingent liabilities disclosed in the financial statements. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts;
- Assessed management's conclusions through discussions held with the in house legal counsel and understanding precedents set in similar cases;

The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around the various litigations the determination of the need for creating a provision in the financial statements is inherently subjective/judgmental and therefore is considered to be a key audit matter in the current year.

- Obtained and evaluated the responses in the independent confirmations obtained from the consultants representing the Group before the various authorities;
- For cases represented by consultants, reviewed each attorney's response obtained as above 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 financial statements;
- Involved auditor's experts 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; and
- Evaluated the disclosures made relating to provisions and contingent liabilities for their appropriateness.

We have determined that there are no other key audit matters to communicate in our report.

#### **Information other than the Consolidated Financial Statements and Auditor's Report thereon**

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated 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 in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement there in, we are required to communicate the matter to those charged with governance.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

7. The accompanying consolidated

financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, 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 of 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 Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. 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 Standards on Auditing 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.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system 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 management;
- Conclude on the appropriateness of Board of Directors' 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 and its associates and joint ventures 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 Group to cease to continue as a going concern; and

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.

12. 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.

13. 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.

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

### Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit and on the consideration of the report, on separate financial statements of the subsidiary, we report that the Holding Company, its subsidiary company, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

17. As required by section 143(3) of the Act, based on our audit and on the consideration of the report on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, 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 purpose 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;
- c) the consolidated financial statements 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 Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) on the basis of the written representations received from the directors of the Holding Company and its subsidiary company and taken on record by the Board of Directors of the Holding Company and its subsidiary company, covered under the Act, none of the other directors of the Group company, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

g) 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 and based on the consideration of the report on separate financial statements of the subsidiary whose financial statements have been audited under the Act:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 36(a) to the consolidated financial statements;

ii. the Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

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 covered under the Act, during the year ended 31 March 2022;

iv. a. The respective managements of the Holding Company and its subsidiary company

whose financial statements have been audited under the Act have represented to us respectively that, to the best of their knowledge and belief, on the date of this audit report as disclosed in note 49 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, 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 any such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us respectively that, to the best of their knowledge and belief, on the date of this audit report as disclosed in the note 49 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company shall, whether 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 such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The final dividend paid by the subsidiary companies during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 29A to the accompanying consolidated financial statements, the Board of Directors of the subsidiary companies have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

**For Walker Chandiook & Co. LLP  
Chartered Accountants**

Firm's Registration No.:  
**001076N/N500013**

**Ankit Mehra**

Partner

**Membership No.: 507429**

**UDIN: 22507429AJHFJL4290**

Place: Gurugram

Date: 20<sup>th</sup> May 2022

**Annexure 1:**

**List of entities included in the  
Consolidated financial statement:**

1. Federal-Mogul TPR (India) Limited-  
Subsidiary Company

**Annexure- A to the Independent Auditor's Report of even date to the members of Federal-Mogul Goetze (India) Limited, on the consolidated financial statements for the year ended 31 March 2022**

**Annexure A**

**Independent Auditor's 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')**

1. In conjunction with our audit of the 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'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiary company which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 the Company's business, including adherence to the 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 Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal

financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

4. 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 includes obtaining an understanding of such internal financial controls, 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.

5. 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 financial statements of the Holding Company and its subsidiary company as aforesaid.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls 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 controls with reference to financial statements include 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**

7. 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. 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 controls 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**

8. In our opinion the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on Internal Financial Controls Over Financial Reporting criteria established by the Group considering the essential components of Internal Control stated in the Guidance Note issued by the ICAI.

**For Walker Chandio & Co LLP  
Chartered Accountants**

Firm's Registration No.:  
**001076N/N500013**

**Ankit Mehra**

Partner

Membership No.: 507429

UDIN: 22507429AJHFJL4290

Place: Gurugram

Date: 20<sup>th</sup> May 2022

**Federal-Mogul Goetze (India) Limited**  
**Consolidated Balance Sheet as at 31 March 2022**  
*(All amounts in Rs. lacs, unless otherwise stated)*

	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	51,593.72	53,248.39
Capital work-in-progress	3(a)	4,847.42	2,864.67
Right-of-use assets	3(a)	1,158.19	1,285.03
Intangible assets	3(b)	75.88	143.91
Financial assets			
- Investments	4	155.54	7.43
- Other financial assets	5	1,788.61	1,834.21
Deferred tax assets (net)	14	-	460.05
Income-tax assets (net)	6	1,584.08	967.63
Other non-current assets	7	2,394.93	1,339.99
		<b>63,598.37</b>	<b>62,151.31</b>
<b>Current assets</b>			
Inventories	8	18,570.51	18,664.41
Financial assets			
- Trade receivables	9	26,616.94	26,473.74
- Cash and cash equivalents	10	18,661.84	21,301.53
- Other financial assets	5	4,221.58	1,145.04
Other current assets	7	2,374.46	2,156.04
		<b>70,445.33</b>	<b>69,740.76</b>
<b>TOTAL ASSETS</b>		<b>1,34,043.70</b>	<b>1,31,892.07</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	5,563.21	5,563.21
Other equity	12	82,019.76	76,508.65
Equity attributable to owners of the company		87,582.97	82,071.86
Non controlling interest		6,815.68	6,619.84
<b>Total equity</b>		<b>94,398.65</b>	<b>88,691.70</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Lease liabilities	16	830.50	892.97
Provisions	13	3,385.34	8,513.94
Deferred tax liabilities (net)	14	298.38	-
		<b>4,514.22</b>	<b>9,406.91</b>
<b>Current liabilities</b>			
Financial liabilities			
- Lease liabilities	16	62.47	68.26
- Trade payables			
- total outstanding dues of micro enterprises and small enterprises	15	1,654.70	1,513.39
- total outstanding dues of creditors other than micro enterprises and small enterprises	15	28,858.72	27,444.87
- Other financial liabilities	17	809.21	837.50
Other current liabilities	18	1,964.54	2,281.53
Provisions	13	1,720.53	1,647.91
Current tax liabilities (net)	18A	60.66	-
		<b>35,130.83</b>	<b>33,793.46</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,34,043.70</b>	<b>1,31,892.07</b>

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes  
This is the Consolidated Balance Sheet referred to in our report of even date

**For Walker Chandio & Co. LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Ankit Mehra**

Partner

Membership No.: 507429

Place: Gurugram

Date: 20<sup>th</sup> May 2022

**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

**Khalid Iqbal Khan**

Whole Time Director - Legal & Company Secretary

DIN : 05253556



## Federal-Mogul Goetze (India) Limited

### Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	19	1,34,261.97	1,10,716.45
Other income	20	892.16	1,108.37
<b>Total Income</b>		<b>1,35,154.13</b>	<b>1,11,824.82</b>
<b>Expenses</b>			
Cost of materials consumed	21	45,947.31	33,661.72
Purchases of stock-in-trade	22	1,700.25	1,410.18
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	823.47	1,758.05
Employee benefits expenses	24	32,524.66	29,762.32
Finance costs	25	427.51	226.58
Depreciation and amortisation expense	26	8,706.29	8,356.46
Other expenses	27	36,968.22	31,584.81
<b>Total expenses</b>		<b>1,27,097.71</b>	<b>1,06,760.12</b>
<b>Profit before exceptional item and tax</b>		<b>8,056.42</b>	<b>5,064.70</b>
Exceptional item	36(b)	-	4,275.00
<b>Profit before tax</b>		<b>8,056.42</b>	<b>789.70</b>
<b>Tax expense</b>			
Current tax (including earlier years)	28	1,452.59	1,776.49
Deferred tax	28	721.76	(1,480.60)
<b>Total tax expense</b>		<b>2,174.35</b>	<b>295.89</b>
<b>Profit for the year</b>		<b>5,882.07</b>	<b>493.81</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 (gain)/loss		(145.75)	(329.71)
B. Income tax relating to items that will not be reclassified to profit or loss		36.68	82.99
<b>Total other comprehensive income (net of tax)</b>		<b>(109.07)</b>	<b>(246.72)</b>
<b>Total comprehensive income for the year</b>		<b>5,991.14</b>	<b>740.53</b>
<b>Profit and loss for the year</b>		<b>5,882.07</b>	<b>493.81</b>
Attributable to			
a) Owner of the Company		5,404.08	53.42
b) Non controlling interest		477.99	440.39
<b>Other comprehensive income for the year</b>		<b>(109.07)</b>	<b>(246.72)</b>
Attributable to			
a) Owner of the Company		(107.02)	(244.96)
b) Non controlling interest		(2.05)	(1.76)
<b>Total comprehensive income for the year</b>		<b>5,991.14</b>	<b>740.53</b>
Attributable to			
a) Owner of the parent company		5,511.10	298.38
b) Non controlling interest		480.04	442.15
Earnings per equity share (of ₹ 10 each)	29		
Basic (₹)		9.71	0.10
Diluted (₹)		9.71	0.10

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

#### For Walker Chandiook & Co. LLP Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### Ankit Mehra

Partner  
Membership No.: 507429

Place: Gurugram  
Date: 20<sup>th</sup> May 2022

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

#### Vinod Kumar Hans

Whole Time Managing Director  
DIN : 03328309

#### Khalid Iqbal Khan

Whole Time Director - Legal & Company Secretary  
DIN : 05253556

#### Manish Chadha

Chief Finance Officer & Finance Director  
DIN : 07195652

**Federal-Mogul Goetze (India) Limited**  
**Consolidated cash flow statement for the year ended 31 March 2022**  
*(All amounts in Rs. lacs, unless otherwise stated)*

	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flow from operating activities</b>		
Profit before tax	8,056.42	789.70
<b>Adjustments for:</b>		
Depreciation and amortisation expense	8,706.29	8,356.45
Exceptional item	-	4,275.00
Loss on sale/discard of property, plant & equipments (net)	230.71	140.42
Allowance for expected credit loss and doubtful advances	97.22	54.81
Excess provision no longer required written back	(179.71)	(321.38)
Provision for warranties	9.65	15.50
Bad debts/advances written off	30.33	8.86
Interest income	(510.30)	(431.72)
Interest expense	427.50	226.58
Unrealised foreign exchange loss/(gain) (net)	(22.59)	68.82
Advances written off	-	1.19
Notional interest on investments	10.10	-
<b>Operating profit before working capital changes</b>	<b>16,855.62</b>	<b>13,184.23</b>
Movements in working capital:		
(Increase) in trade/other receivables	(218.34)	(6,980.81)
Decrease in inventories	93.89	843.33
Decrease in other current and non-current financial assets	213.24	111.81
(Increase) in other current and non-current assets	(295.95)	(835.32)
(Decrease) in other current and non-current financial liabilities	(14.57)	(28.81)
(Decrease)/increase in other current and non-current liabilities	(324.51)	1,400.76
(Decrease) in current and non-current provisions	(4,919.87)	(53.94)
Increase in trade payables	1,735.96	9,520.49
<b>Cash flow from operating activities post working capital changes</b>	<b>13,125.47</b>	<b>17,161.74</b>
Income tax paid (net)	(2,008.37)	(1,922.29)
<b>Net cash generated from operating activities</b>	<b>11,117.10</b>	<b>15,239.45</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work-in-progress)	(9,518.22)	(5,907.32)
Proceeds from sale property, plant and equipment	59.61	27.45
Movement in other bank balances (net)	27.54	3,426.39
Purchases of investments	(797.33)	(0.49)
Proceeds from sale of investments	2.53	-
Interest received	528.47	451.60
Inter corporate deposit given	(3,300.00)	(2,200.00)
Inter corporate deposit received back	-	2,200.00
<b>Net cash used in investing activities</b>	<b>(12,997.40)</b>	<b>(2,002.37)</b>
<b>C. Cash flows from financing activities</b>		
Repayment of lease liabilities	(142.67)	(198.71)
Interest paid	(332.52)	(216.80)
Payment of dividend (inclusive of tax for previous year)	(284.20)	(426.30)
<b>Net cash used in financing activities</b>	<b>(759.39)</b>	<b>(841.81)</b>
Net increase in cash and cash equivalents (A + B + C)	(2,639.69)	12,395.27
Cash and cash equivalents at the beginning of the year	21,301.53	8,906.26
<b>Cash and cash equivalents at the end of the year</b>	<b>18,661.84</b>	<b>21,301.53</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
Cash and cash equivalents as per above comprise of the following (refer note no 10)		
With banks - on current account	5,699.19	7,488.09
Fixed deposits with original maturity less than 3 months	12,962.65	13,813.44
	<b>18,661.84</b>	<b>21,301.53</b>

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

This is the Consolidated Cash Flow Statement referred to in our report of even date

The Consolidated Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flow'.

**For Walker Chandio & Co. LLP**  
**Chartered Accountants**  
 Firm's Registration No.: 001076N/N500013  
**Ankit Mehra**  
 Partner  
 Membership No.: 507429  
 Place: Gurugram  
 Date: 20<sup>th</sup> May 2022

**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

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



## Federal-Mogul Goetze (India) Limited

### Consolidated statement of change in equity as at 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Balance as at 01 April 2020	Change in equity share capital during the year	Balance at as 31 March 2021	Change in equity share capital during the year	Balance as at 31 March 2022
<b>A) Equity share capital</b>	<b>5,563.21</b>	<b>-</b>	<b>5,563.21</b>	<b>-</b>	<b>5,563.21</b>

Particulars	Reserves and surplus							
	General reserve	Capital reserve	Capital redemption reserve	Securities premium account	Retained earnings	Total other equity	Non controlling interest (NCI)	Total
<b>Balance as at 1 April 2020</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>46,107.99</b>	<b>76,210.28</b>	<b>6,603.99</b>	<b>82,814.27</b>
<b>Additions during the year:</b>								
Profit for the year	-	-	-	-	53.42	53.42	440.39	493.81
Other Comprehensive Income for the year ended								
Remeasurements of the post employment defined benefit plans gain (net of tax)	-	-	-	-	244.96	244.96	1.76	246.72
Less: Dividend paid including dividend distribution tax (DDT)	-	-	-	-	-	-	(426.30)	(426.30)
<b>Balance as at 31 March 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>76,508.66</b>	<b>6,619.84</b>	<b>83,128.50</b>
<b>Additions during the year:</b>								
Profit for the year	-	-	-	-	5,404.08	5,404.08	477.99	5,882.07
Other Comprehensive Income for the year ended								
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 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>82,019.76</b>	<b>6,815.68</b>	<b>88,835.44</b>

The above Consolidated statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

#### For Walker Chandiook & Co. LLP Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### Ankit Mehra

Partner

Membership No.: 507429

Place: Gurugram

Date: 20<sup>th</sup> May 2022

#### 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

#### Khalid Iqbal Khan

Whole Time Director - Legal & Company Secretary

DIN : 05253556

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022

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### 1. Group information

Federal-Mogul Goetze (India) Limited ('FMGIL' or 'the Parent Company') and its Subsidiary (Group), is inter-alia engaged mainly in the manufacture, supply and distribution of 'automotive components' used in two/three/four wheeler automobiles.

The principal facilities of the Group are located at Patiala (Punjab), Bengaluru (Karnataka) and Bhiwadi (Rajasthan), with its registered office in Delhi. The Parent Company is listed at National Stock Exchange of India Limited and Bombay Stock Exchange.

### Statement of significant accounting policies

#### 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 23 March 2022, the Ministry of Corporate Affairs ('MCA') amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

##### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

##### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

##### Ind AS 109 – Annual improvements to Ind AS

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

##### Ind AS 106 – Annual improvements to Ind AS

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

#### 2.3 Statement of compliance with Ind AS

The consolidated financial statements include the financial statements of the Parent Company, its undermentioned subsidiary (hereinafter referred to as 'the Group'):

Federal-Mogul TPR India Limited, India, 51% subsidiary;

These consolidated financial statements are prepared on accrual basis of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, read with Section 133 of the Companies Act, 2013 ('the Act') and other provisions of the Act (to the extent notified and applicable).

These consolidated financial statements of Federal-Mogul Goetze (India) Limited as at and for the year ended 31 March 2022 were approved and authorised for issue by Board of Directors on 20 May 2022.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022

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### 2.4 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the parent Company and its subsidiary as at 31 March 2022. 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.

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 entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March, 2022.

### 2.5 Summary of Significant Accounting Policies

#### a) Overall consideration

The financial statements have been prepared using the significant accounting policies and measurement bases summarized below. These were used throughout all periods presented in the financial statements.

##### *Basis of preparation*

The consolidated financial statements have been prepared on going concern basis in accordance with 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.

#### b) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

#### c) 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 recognized in the current and future periods.



## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022

### d) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Group's functional currency. All financial information presented in Indian Rupees has been rounded to the nearest lakh (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 statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

#### *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, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

<b>Asset Class</b>	<b>Estimated useful life (in years)</b>
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

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 (amortisation)*

The cost of capitalised software is amortised over a period in the range of 5 years from the date of its acquisition. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022

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### 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 is provided on the revised carrying amount of the asset over its remaining useful life.

### i) 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. 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 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.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022

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### j) Fair Value of financial instrument

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal Market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### 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 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 Company changes its assessment of whether it will exercise an extension or a termination option.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022

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### l) Inventories

#### Inventories are valued as follows:

Inventories are valued at cost or net realisable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- Raw material cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Stores and spares cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- In case of work in progress-at raw material cost plus conversion costs depending upon the stage of completion.
- In case of finished goods-cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

### 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 Balance Sheet under other current liabilities (refer note).

#### 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.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022

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### *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 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 under the Duty Entitlement Pass Book (DEPB) Scheme/ Duty Drawback scheme and Merchandise Exports from India Scheme 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 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.

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) Retirement and other employee benefits**

- (i) Provident fund contributions are charged to profit and loss account, when contributions paid/payable are due to "Goetze India Limited Provident Fund Trust", administered by the trustees and to the Regional Provident Fund Commissioners. The Group accrues for the deficit in the Provident Fund trust as per the books of accounts of the Trust.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022

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- (ii) Gratuity liability under the Payment of Gratuity Act is accrued on the basis of an actuarial valuation made at the end of each 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 other comprehensive income in the year in which such gains or losses are determined.

- (iii) Short term compensated absences are provided for based on estimates. Long term compensation liability for leave encashment 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 statement of profit and loss in the year in which such gains or losses are determined.

- (iv) Superannuation Benefit

The Group has superannuation obligation administered with Life Insurance Corporation of India (LIC). Contributions to the defined contribution scheme are charged to profit and loss account when contributions paid/ payable are due to such fund. There are no other obligations other than the contribution payable to the respective trusts.

- (v) 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 statement of profit and loss during the period in which the employee renders the related service.

### q) Income Taxes

Tax expense recognised in the statement of profit and loss comprises of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

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 in India.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (including Minimum Alternate Tax ('MAT') credit entitlement) or deductible temporary difference will be utilised 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 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.

Tax expense relating to items recognised in OCI or directly in equity is recognised outside profit or loss (in OCI or 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 present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022

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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.

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.

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

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

#### *Significant management judgements*

**Recognition of deferred tax assets** – Recognition of deferred tax assets is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**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.

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022

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**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.

**Contingent Liabilities** - The Group 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 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.

**Provision for warranties** – 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 warranties and guarantees. However, the actual future outcome may be different from this judgement.

### *Significant estimation uncertainties*

**Recoverability of advances/receivables** - At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**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 2022

(All amounts in Rs. lacs, unless otherwise stated)

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

	Freehold land	Building	Furniture and fittings and office equipment	Plant and machinery	Vehicles	Total	Right-of-use assets (ROU)	Capital work-in-progress
<b>Gross carrying amount</b>								
Opening gross carrying amount as on 01 April 2020	1,485.16	12,210.70	1,903.96	1,33,794.87	442.75	1,49,837.44	720.16	4,235.37
Additions/transfers	-	215.18	18.12	6,291.48	-	6,524.78	988.85	3,708.05
Disposals/adjustments	-	(127.45)	(23.04)	(1,620.02)	(0.40)	(1,770.91)	(10.19)	(5,078.75)
<b>Closing gross carrying amount as on 31 March 2021</b>	<b>1,485.16</b>	<b>12,298.43</b>	<b>1,899.04</b>	<b>1,38,466.33</b>	<b>442.35</b>	<b>1,54,591.31</b>	<b>1,698.82</b>	<b>2,864.67</b>
<b>Gross carrying amount</b>								
Opening gross carrying amount as on 01 April 2021	1,485.16	12,298.43	1,899.04	1,38,466.33	442.35	1,54,591.31	1,698.82	2,864.67
Additions/transfers	-	1,169.72	13.13	5,950.18	29.52	7,162.55	-	7,978.75
Disposals/adjustments	-	(534.60)	(47.90)	(1,827.37)	(21.86)	(2,431.73)	-	(5,996.00)
<b>Closing gross carrying amount as on 31 March 2022</b>	<b>1,485.16</b>	<b>12,933.55</b>	<b>1,864.27</b>	<b>1,42,589.14</b>	<b>450.01</b>	<b>1,59,322.13</b>	<b>1,698.82</b>	<b>4,847.42</b>
<b>Accumulated depreciation</b>								
Opening accumulated depreciation as on 01 April 2020	-	5,835.05	1,352.55	87,355.80	320.09	94,863.49	236.14	
Depreciation charge during the year	-	388.98	88.28	7,574.34	29.95	8,081.55	177.65	
Disposals/adjustments	-	(133.95)	(13.71)	(1,454.09)	(0.37)	(1,602.12)	-	
<b>Closing accumulated depreciation as on 31 March 2021</b>	<b>-</b>	<b>6,090.08</b>	<b>1,427.12</b>	<b>93,476.05</b>	<b>349.67</b>	<b>1,01,342.92</b>	<b>413.79</b>	
<b>Accumulated depreciation</b>								
Opening accumulated depreciation as on 01 April 2021	-	6,090.08	1,427.12	93,476.05	349.67	1,01,342.92	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 on 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>1,07,728.41</b>	<b>540.63</b>	
<b>Net carrying amount as on 31 March 2021</b>	<b>1,485.16</b>	<b>6,208.35</b>	<b>471.92</b>	<b>44,990.28</b>	<b>92.68</b>	<b>53,248.39</b>	<b>1,285.03</b>	<b>2,864.67</b>
<b>Net carrying amount as on 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>4,847.42</b>

**Note:**

1. Refer to note no. 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
2. There is no property plant & equipment which are pledged or under lien.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 3(b). Intangible assets

	Software	Total intangible assets
<b>Gross carrying amount</b>		
Opening gross carrying amount as on 01 April 2020	109.16	109.16
Additions	204.08	204.08
Disposals/adjustments	-	-
<b>Closing gross carrying amount as on 31 March 2021</b>	<b>313.24</b>	<b>313.24</b>
<b>Gross carrying amount</b>		
Opening gross carrying amount as on 01 April 2021	313.24	313.24
Additions	-	-
Disposals/adjustments	-	-
<b>Closing gross carrying amount as on 31 March 2022</b>	<b>313.24</b>	<b>313.24</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation as on 01 April 2020	72.07	72.07
Amortisation charge during the year	97.26	97.26
Disposals/adjustments	-	-
<b>Closing accumulated amortisation as on 31 March 2021</b>	<b>169.33</b>	<b>169.33</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation as on 01 April 2021	169.33	169.33
Amortisation charge during the year	68.03	68.03
Disposals/adjustments	-	-
<b>Closing accumulated amortisation as on 31 March 2022</b>	<b>237.36</b>	<b>237.36</b>
<b>Net carrying amount as on 31 March 2021</b>	<b>143.91</b>	<b>143.91</b>
<b>Net carrying amount as on 31 March 2022</b>	<b>75.88</b>	<b>75.88</b>

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

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	3,877.78	574.18	-	395.46	4,847.42
Project temporarily suspended	-	-	-	-	-
<b>As at 31 March 2021</b>					
Project in progress	1,744.30	666.38	453.99	-	2,864.67
Project temporarily suspended	-	-	-	-	-

### 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 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
<b>As at 31 March 2021</b>					
None	-	-	-	-	-

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 4. Investments

	As at 31 March 2022	As at 31 March 2021
<b>(i) Investment in debentures of other entity, unquoted</b>		
71,760 Compulsorily convertible debentures (previous year: NIL debentures) of ₹ 1000 each of AMPSolar Technology Two Private Limited.	135.58	-
<b>(ii) Investment in equity shares of other entity, unquoted</b>		
74,263 Equity shares (previous year : 67,690 equity shares) equity shares of ₹ 10 each fully paid in Vyshali Energy Private Limited	4.90	7.43
797,341 Equity shares (previous year : NIL equity shares) of ₹ 10 each fully paid in AMPSolar Technology Two Private Limited	15.06	-
<b>(iii) Unquoted equity shares #</b>		
3,889,600 (previous year: 3,889,600) equity shares of ₹ 5 each, fully paid in GI Power Corporation Limited.-	-	-
	<b>155.54</b>	<b>7.43</b>

#The fair value of unquoted equity shares is Nil (previous year: Nil)

### 5. Other financial assets

	As at 31 March 2022		As at 31 March 2021	
	Non current	Current	Non current	Current
<b>Unsecured, considered good</b>				
Margin money deposits - pledged with government authorities	536.61	-	524.97	-
Security deposits*	1,252.00	42.19	1,269.24	57.74
Export incentive receivable	-	244.03	-	506.81
Earnest money deposits	-	10.83	-	10.01
Other receivables	-	3,924.53	-	570.48
Fixed deposits with original maturity more than 12 months	-	-	40.00	-
	<b>1,788.61</b>	<b>4,221.58</b>	<b>1,834.21</b>	<b>1,145.04</b>

Note: Refer note no 30 for fair value disclosures in respect of financial assets measured at amortised cost and refer note no 31 for financial risk management.

\*The Group does not have loans which are either credit impaired or where there is significant increase in credit risk.

### 6. Income-tax assets

	As at 31 March 2022	As at 31 March 2021
Income-tax assets		
Advance taxes paid (net of provision for tax)	1,584.08	967.63
	<b>1,584.08</b>	<b>967.63</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 7. Other assets

	As at 31 March 2022		As at 31 March 2021	
	Non current	Current	Non current	Current
Capital advances (Unsecured, considered good)	<b>729.67</b>	-	384.08	-
Advances other than capital advances:				
Unsecured, considered good	-	<b>876.54</b>	-	802.24
Unsecured, credit impaired	-	<b>3.30</b>	-	2.12
Less: Provision for doubtful advances	-	<b>(3.30)</b>	-	(2.12)
	-	<b>876.54</b>	-	802.24
Prepaid expenses	<b>748.31</b>	<b>1,007.48</b>	13.01	863.27
Paid to government authorities under protest	<b>916.95</b>	-	942.90	-
Other receivables	-	<b>490.44</b>	-	490.53
	<b>2,394.93</b>	<b>2,374.46</b>	<b>1,339.99</b>	<b>2,156.04</b>

### 8. Inventories (Valued at lower of cost and net realizable value)

	As at 31 March 2022		As at 31 March 2021	
Raw materials and components (includes stock in transit of ₹ 808.83 lacs (previous year ₹ 700.34 lacs))		<b>3,858.79</b>		3,164.59
Work-in-progress		<b>5,422.31</b>		4,845.73
Finished goods		<b>6,543.42</b>		7,931.10
Traded goods		<b>10.12</b>		22.49
Stores and spares (includes stock in transit of ₹ 94.64 lacs (previous year ₹ 59.06 lacs))		<b>2,735.87</b>		2,700.50
		<b>18,570.51</b>		<b>18,664.41</b>

Note : The cost of inventories recognised as an expense includes ₹ 731.22 lacs (previous year ₹ 328.66 lacs) in respect of write-downs of inventory to net realisable value. The same has been included in note no. 21, 22 and 23.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 9. Trade receivables

	As at 31 March 2022	As at 31 March 2021
Secured, considered good	379.10	393.67
Unsecured, considered good	26,318.99	26,154.26
Unsecured, significant increase in credit risk	277.64	214.62
	<b>26,975.73</b>	<b>26,762.55</b>
Less: Allowance for expected credit loss	(358.79)	(288.81)
	<b>26,616.94</b>	<b>26,473.74</b>

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 38 for balances due from related party.

#### 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	22,507.84	1,891.27	1,646.43	579.76	60.78	12.01	26,698.09
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	155.37	53.36	68.91	277.64
(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>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>

#### Trade receivables ageing schedule as at 31 March 2021

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	19,736.38	4,847.72	1,300.67	589.41	57.08	16.67	26,547.93
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	214.62	214.62
(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>19,736.38</b>	<b>4,847.72</b>	<b>1,300.67</b>	<b>589.41</b>	<b>57.08</b>	<b>231.29</b>	<b>26,762.55</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 10. Cash and cash equivalents

Particular	As at 31 March 2022	As at 31 March 2021
<b>a) Cash and cash equivalents</b>		
Balances with scheduled banks:		
- Current accounts	5,699.19	7,488.09
- Fixed deposits with original maturity less than 3 months	12,962.65	13,813.44
	<b>18,661.84</b>	<b>21,301.53</b>

### 11. Equity share capital

Particular	As at 31 March 2022	As at 31 March 2021
<b>Authorised shares</b>		
8,00,00,000 (previous year: 8,00,00,000) equity shares of ₹ 10 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>		
5,56,32,130 (previous year: 5,56,32,130) equity shares of ₹ 10 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 years.

#### (b) Right/restriction attached to equity shares.

The parent Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the parent Company, the holders of equity shares will be entitled to receive remaining assets of the parent 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/ Ultimate Holding Company and/ or their subsidiaries/ associates

Name of the shareholder	31 March 2022		31 March 2021	
	No.	% holding	No.	% holding
<b>Equity shares of ₹ 10- 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 Vemogensverwaltung 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 2022			As at 31 March 2021		
	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 Vemogensverwaltung GMBH	83,06,873	14.93%	-	83,06,873	14.93%	-

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### (e) List of shareholders holding more than 5% of the equity share capital of the parent Company at the beginning and at the end of the reporting year

Name of the shareholder*	31 March 2022		31 March 2021	
	No.	% holding	No.	% holding
<b>Equity shares of ₹ 10- 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	44,29,933	7.96%	-	-
d) IEH FMGI Holdings LLC	-	-	1,10,84,844	19.93%
f) The parent 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.	-	-	-	-

\*The above information is furnished as per the shareholder register at the year end.

f) The parent 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.

## 12. Other equity

Particulars	General reserve	Capital reserve	Capital redemption reserve	Securities premium	Retained earnings	Total
<b>Balance as at 1 April 2020</b>	<b>1,295.00</b>	<b>56.55</b>	<b>2,000.00</b>	<b>26,750.74</b>	<b>46,107.99</b>	<b>76,210.28</b>
Profit for the year	-	-	-	-	53.42	53.42
Items of other comprehensive income recognised directly in retained earnings:						
Remeasurements of the post employment defined benefit plans (loss)(net of tax)	-	-	-	-	244.96	244.96
<b>Balance as at 31 March 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>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 gain (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>82,019.76</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 previous 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 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 13. Provisions

	As at 31 March 2022		As at 31 March 2021	
	Non current	Current	Non current	Current
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note no 39)	1,956.32	3.69	2,668.29	3.09
Provision for compensated absences	1,246.50	263.74	1,404.83	222.52
	<b>3,202.82</b>	<b>267.43</b>	<b>4,073.12</b>	<b>225.61</b>
Provision for regulatory matters (refer note (a) below)	182.52	1,453.10	4,440.82	1,415.63
Provision for warranties (refer note (a) below)	-	-	-	6.67
	<b>182.52</b>	<b>1,453.10</b>	<b>4,440.82</b>	<b>1,422.30</b>
	<b>3,385.34</b>	<b>1,720.53</b>	<b>8,513.94</b>	<b>1,647.91</b>

#### Note (a)

Movement of provision for regulatory matters and warranties (also refer note no 42)	31 March 2022			31 March 2021		
	Regulatory matters		Warranty	Regulatory matters		Warranty
	Non current	Current	Current	Non current	Current	Current
Opening balance	4,440.82	1,415.63	6.67	157.49	1,402.43	-
Provision made during the year	58.31	1,103.90	-	4,313.67	95.68	6.67
Utilised during the year	(4,275.00)	(1,066.43)	(6.67)	-	(82.48)	-
Finance expense on unwinding of provision	(41.61)	-	-	(30.34)	-	-
<b>Closing balance</b>	<b>182.52</b>	<b>1,453.10</b>	<b>-</b>	<b>4,440.82</b>	<b>1,415.63</b>	<b>6.67</b>

### 14. Deferred tax (assets)/liabilities (net)

	Opening balance as on 1 April 2020	Recognised in statement of profit & loss	Reco- gnised in OCI	Closing balance as on 31 March 2021
<b>Deferred tax assets</b>				
Provision for employees benefits	1,195.29	(26.60)	(82.99)	1,085.70
Provision for expected credit loss and doubtful advances	66.62	6.60	-	73.22
Provision for regulatory matters	295.53	1,081.40	-	1,376.93
Others	212.25	296.89	-	506.54
	<b>1,769.69</b>	<b>1,358.29</b>	<b>(82.99)</b>	<b>3,042.39</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment and intangible assets on account of difference in written down value	2,704.64	(122.31)	-	2,582.33
	2,704.64	(122.31)	-	2,582.33
<b>Net deferred tax liabilities</b>	<b>934.95</b>	<b>(1,480.60)</b>	<b>82.99</b>	<b>(460.05)</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

	Opening balance as on 1 April 2021	Recognised in statement of profit & loss	Reco- gnised in OCI	Closing balance as on 31 March 2022
<b>Deferred tax assets</b>				
Provision for employees benefits	1,085.70	(172.77)	(36.69)	876.24
Provision for expected credit loss and doubtful advances	73.22	17.61	-	90.83
Provision for regulatory matters	1,376.93	(1,047.57)	-	329.36
Others	506.54	(28.75)	-	477.79
	<b>3,042.39</b>	<b>(1,231.48)</b>	<b>(36.69)</b>	<b>1,774.22</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment and intangible assets on account of difference in written down value	2,582.33	(509.73)	-	2,072.60
	<b>2,582.33</b>	<b>(509.73)</b>	<b>-</b>	<b>2,072.60</b>
<b>Net deferred tax liabilities/(assets)</b>	<b>(460.05)</b>	<b>721.75</b>	<b>36.69</b>	<b>298.38</b>

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

### 15. Trade payables

	As at 31 March 2022	As at 31 March 2021
Dues of micro enterprises and small enterprises (refer note no 41 for details of dues to micro and small enterprises)	1,654.70	1,513.39
Dues of creditors other than micro enterprises and small enterprises (including acceptances)	28,858.72	27,444.87
	<b>30,513.42</b>	<b>28,958.26</b>

Refer note no 37 for related party balances.

### Trade payables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro Enterprises and Small Enterprises	1,654.70	-	-	-	1,654.70
(ii) Others	28,769.34	56.25	13.36	19.77	28,858.72
(iii) Disputed dues — Micro Enterprises and Small Enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### Trade payables ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro Enterprises and Small Enterprises	1,513.39	-	-	-	1,513.39
(ii) Others	27,046.07	367.19	1.88	29.73	27,444.87
(iii) Disputed dues — Micro Enterprises and Small Enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Refer note no 37 for related party balances.

### 16. Lease liabilities

	As at 31 March 2022		As at 31 March 2021	
	Non current	Current	Non current	Current
Lease liabilities (refer note no 38)	<b>830.50</b>	<b>62.47</b>	892.97	68.26
	<b>830.50</b>	<b>62.47</b>	<b>892.97</b>	<b>68.26</b>

### 17. Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Payables to capital creditors	<b>362.93</b>	390.25
Deposits from dealers	<b>379.10</b>	393.67
Interest accrued on borrowings	<b>16.17</b>	17.51
Interest accrued on security deposits	<b>51.01</b>	36.07
	<b>809.21</b>	<b>837.50</b>

### 18. Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advance from customers	<b>258.91</b>	239.00
Statutory liabilities	<b>1,690.51</b>	2,036.74
Other current liabilities	<b>15.12</b>	5.79
	<b>1,964.54</b>	<b>2,281.53</b>

### 18A. Current tax liabilities

	As at 31 March 2022	As at 31 March 2021
Current tax liabilities	<b>60.66</b>	-
	<b>60.66</b>	-

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 19. Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Revenue from operations</b>		
Sale of goods	1,31,938.25	1,09,136.81
<b>Other operating revenue</b>		
Export incentives	143.94	354.94
Scrap sales	2,179.78	1,224.70
<b>Revenue from operations</b>	<b>1,34,261.97</b>	<b>1,10,716.45</b>

Note: Refer note no. 40 for the disclosure in relation to Ind AS 115.

### 20. Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on		
- Fixed deposits with banks	374.80	362.89
- Others	135.50	68.83
Management support income	27.83	131.20
Commission income	0.50	-
Foreign exchange fluctuation (net)	76.20	-
Excess provision no longer required written back	179.71	321.38
Miscellaneous income	97.62	224.07
	<b>892.16</b>	<b>1,108.37</b>

### 21. Cost of material consumed

	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock	3,164.59	2,562.89
Add: purchases	46,641.51	34,263.42
Less: closing stock	(3,858.79)	(3,164.59)
<b>Raw material consumption</b>	<b>45,947.31</b>	<b>33,661.72</b>

### 22. Purchases of stock-in-trade

	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of stock-in-trade	1,700.25	1,410.18
	<b>1,700.25</b>	<b>1,410.18</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 23. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Opening stock</b>		
Work-in-progress	4,845.73	5,757.18
Finished products	7,931.10	8,782.08
Trading goods	22.49	18.11
	<b>12,799.32</b>	<b>14,557.37</b>
<b>Less: closing stock</b>		
Work-in-progress	5,422.31	4,845.73
Finished products	6,543.42	7,931.10
Trading goods	10.12	22.49
	<b>11,975.85</b>	<b>12,799.32</b>
	<b>823.47</b>	<b>1,758.05</b>

### 24. Employee benefits expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	27,642.79	25,098.22
Contribution to provident and other funds	1,524.97	1,472.77
Gratuity expense (refer note no. 39)	751.15	737.87
Staff welfare expenses	2,605.75	2,453.46
	<b>32,524.66</b>	<b>29,762.32</b>

### 25. Finance cost

	Year ended 31 March 2022	Year ended 31 March 2021
Interest		
- to banks	25.68	41.91
- to others	401.83	184.67
	<b>427.51</b>	<b>226.58</b>

### 26. Depreciation and amortisation expense (refer note no 3)

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipments	8,511.42	8,081.55
Depreciation of right-of-use assets	126.84	177.65
Amortisation of intangible assets	68.03	97.26
	<b>8,706.29</b>	<b>8,356.46</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 27. Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of stores and spares	13,968.25	10,903.75
Sub-contracting expenses	1,936.76	1,727.04
Power and fuel	8,272.54	7,074.68
Freight and forwarding charges	1,361.84	1,381.97
Rent (refer note no.38)	69.65	96.37
Rates and taxes	178.77	255.90
Insurance	343.46	242.13
Repairs and maintenance		
Plant and machinery	791.46	833.30
Buildings	144.64	190.18
Others	577.01	526.76
Selling and distribution expense	316.62	337.10
Management support charges (refer note no.43)	3,241.28	2,683.35
Royalty and trade-mark license fees	2,662.25	2,179.22
Provision for warranties (net of reversals)	9.65	15.50
Travelling and conveyance	201.92	126.40
Communication costs	46.24	55.24
Corporate social responsibility expense (refer note no.45)	153.21	241.09
Printing and stationery	74.96	71.58
Legal and professional fees	612.08	589.14
Auditors remuneration (refer details below)*	66.07	61.75
Foreign exchange fluctuation (net)	-	222.18
Bad debts/advances written off	30.33	10.14
Allowance for expected credit loss and doubtful advances	97.22	54.81
Loss on sale of property, plant and equipments (net)	230.71	140.42
Environmental maintenance and remediation	401.79	239.20
Bank charges	74.95	87.55
Miscellaneous expenses	1,104.56	1,238.06
	<b>36,968.22</b>	<b>31,584.81</b>

### \*Auditors remuneration

	Year ended 31 March 2022	Year ended 31 March 2021
- Statutory audit fee	33.83	31.25
- Limited reviews	28.24	27.00
- Tax audit fee	4.00	3.50
	<b>66.07</b>	<b>61.75</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 28. Tax expense

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	1,542.36	2,101.24
Tax related to earlier years	(89.77)	(324.76)
Deferred tax	721.76	(1,480.60)
	<b>2,174.35</b>	<b>295.88</b>

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.168% and the reported tax expense in profit or loss are as follows:

<b>Accounting profit before income tax</b>	<b>8,056.42</b>	<b>789.70</b>
At country's statutory income tax rate of 25.168% (previous year: 25.168%)	<b>2,027.64</b>	198.75

#### Tax effect on permanent non deductible expenses :

Expenses allowance for which was done in earlier years	(98.37)	(41.97)
Expenses disallowed under Income tax act, 1961	89.14	56.41
Disallowed expense under Rule 14A of Income tax act	-	1.30
Tax related to earlier years	8.59	(17.99)
Difference in tax rates	-	-
Tax impact of inter profit elimination entries (dividend)	92.81	121.19
Others	54.53	(21.81)
	<b>2,174.35</b>	<b>295.88</b>

#### Tax rate

Base rate	22.00%	22.00%
Surcharge	2.20%	2.20%
Education cess	0.97%	0.97%
<b>Total</b>	<b>25.17%</b>	<b>25.17%</b>

### 29. Earnings per share

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year as per statement of profit and loss	5,404.08	53.42
Weighted average number of equity shares in calculating basic and diluted EPS	5,56,32,130	5,56,32,130
Nominal value of shares (₹)	10.00	10.00
Earning per share - basic and diluted (₹)	9.71	0.10

#### 29A. Event occurring after the reporting period

During the year 31 March 2022, the amount of per share dividend proposed by the Board of Directors of subsidiary company (Federal-Mogul TPR (India) Limited) to equity shareholders is ₹ 6.25 (previous year ₹ 5.80). The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing General meeting.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 30. 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) Group 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, other bank balances, trade receivables, other current financial assets, trade payables, current borrowings 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 the long term borrowings 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.
- Loans are shown at cost as the same are given to government authorities till perpetuity.

### 31. Financial risk management

#### i) Financial instruments by category

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	-	-	150.64	-	-	-
Trade receivables	-	-	26,616.94	-	-	26,473.74
Cash and cash equivalents	-	-	18,661.84	-	-	21,301.53
Other financial assets	-	-	6,010.19	-	-	2,979.25
<b>Total</b>	-	-	51,439.61	-	-	50,754.52
<b>Financial liabilities</b>						
Borrowings (including interest accrued on borrowings)	-	-	16.17	-	-	17.51
Trade payable	-	-	30,513.42	-	-	28,958.26
Lease liabilities	-	-	892.97	-	-	961.23
Other financial liabilities (excluding interest accrued on borrowings)	-	-	793.04	-	-	819.99
<b>Total</b>	-	-	32,215.60	-	-	30,756.99

Note:

1. The Group has an investment in GI Power Corporation Limited which is carried at fair value which is equivalent to zero.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### ii) Risk Management

The Group's activities expose it to market risk, liquidity risk and credit 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 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 and receivables to customers, placing deposits, etc. The Group'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 & receivables carried at amortised cost, and
- deposits with banks

#### 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 ratings 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 rating	Particulars	As at	As at
		31 March 2022	31 March 2021
A: Low	Cash and cash equivalents	18,661.84	21,301.53
	Other financial assets	6,010.19	2,979.25
	Trade receivables (gross of expected credit loss)	26,698.09	26,547.93
B: High	Trade receivables	277.64	214.62

### 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 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.

### Other financial assets measured at amortised cost

Other financial assets measured at amortized 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.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 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.

Particulars	As at 31 March 2022		As at 31 March 2021	
	>365 Days	0 - 365 Days	>365 Days	0 - 365 Days
Gross amount of trade receivables where no default (as defined above) has occurred	277.64	26,698.09	214.62	26,547.93
Expected loss rate (in %)	100%	0.30%	100%	0.28%
Expected credit loss( loss allowance provision)	277.64	81.15	214.62	74.19

### Reconciliation of loss provision – lifetime expected credit losses

Reconciliation of loss allowance	Trade receivable
<b>Loss allowance as on 1 April 2020</b>	<b>260.76</b>
Impairment loss recognised during the year	51.18
Amounts written off	(23.13)
<b>Loss allowance as on 1 April 2021</b>	<b>288.81</b>
Impairment loss recognised during the year	97.22
Amounts written off	(27.24)
<b>Loss allowance on 31 March 2022</b>	<b>358.79</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 2022

(All amounts in Rs. lacs, unless otherwise stated)

31 March 2021	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payable	28,958.26	-	-	-	28,958.26
Lease Liabilities	142.67	265.21	314.97	638.25	1,361.10
Other financial liabilities	837.50	-	-	-	837.50
<b>Total</b>	<b>29,938.43</b>	<b>265.21</b>	<b>314.97</b>	<b>638.25</b>	<b>31,156.86</b>

31 March 2022	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payable	30,513.42	-	-	-	30,513.42
Lease Liabilities	131.52	291.18	324.35	471.38	1,218.43
Other financial liabilities	809.21	-	-	-	809.21
<b>Total</b>	<b>31,454.15</b>	<b>291.18</b>	<b>324.35</b>	<b>471.38</b>	<b>32,541.06</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 and Japanese Yen. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any 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

Particulars	Foreign Currency	As at 31 March 2022	As at 31 March 2021
Financial liabilities- Creditors	USD	<b>1,700.69</b>	1,217.44
	EUR	<b>616.64</b>	1,935.90
	GBP	<b>145.20</b>	166.87
	JPY	<b>257.62</b>	298.40
	SEK	-	21.24
	CNY	<b>32.00</b>	59.40
			<b>2,752.15</b>
Financial assets			
	Debtors		
	USD	<b>5,687.43</b>	5,783.21
	EUR	<b>596.46</b>	527.95
	GBP	<b>74.47</b>	84.92
		<b>6,358.36</b>	<b>6,558.82</b>
<b>Net exposure to foreign currency risk (assets)</b>		<b>3,606.21</b>	<b>2,859.57</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(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.

Particulars	As at 31 March 2022	As at 31 March 2021
<b>USD sensitivity</b>		
INR/USD- increase by 500 bp (previous year: 500 bp)*	(55.21)	(34.47)
INR/USD- decrease by 500 bp (previous year: 500 bp)*	55.21	34.47
<b>EUR sensitivity</b>		
INR/EUR- increase by 500 bp (previous year: 500 bp)*	253.54	192.37
INR/EUR- decrease by 500 bp (previous year: 500 bp)*	(253.54)	(192.37)
<b>GBP sensitivity</b>		
INR/GBP- increase by 500 bp (previous year: 500 bp)*	(3.54)	(4.10)
INR/GBP- decrease by 500 bp (previous year: 500 bp)*	3.54	4.10
<b>JPY sensitivity</b>		
INR/JPY- increase by 500 bp (previous year: 500 bp)*	(12.88)	(14.92)
INR/JPY- decrease by 500 bp (previous year: 500 bp)*	12.88	14.92
<b>SEK sensitivity</b>		
INR/SEK- increase by 500 bp (previous year: 500 bp)*	-	(1.06)
INR/SEK- decrease by 500 bp (previous year: 500 bp)*	-	1.06
<b>CNY sensitivity</b>		
INR/CNY- increase by 500 bp (previous year: 500 bp)*	(1.60)	(2.97)
INR/CNY- decrease by 500 bp (previous year: 500 bp)*	1.60	2.97

\* Holding all other variables constant

### b) Interest rate risk

#### i) Liabilities

The Group does not have any borrowings and hence there is no interest rate risk.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 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.

## 32. 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 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.

Particulars	As at 31 March 2022	As at 31 March 2021
Total debt	-	-
Less: Cash and bank balances	18,661.84	21,301.53
Net debt	(18,661.84)	(21,301.53)
Total equity (as shown on the face of balance sheet)	87,582.97	82,071.86
<b>Net debt to equity ratio</b>	<b>0.00%</b>	<b>0.00%</b>

Note: Debt to equity ratio has been shown as Nil as the calculated amount depicts a negative balance.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 33. Capital commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Property, plant and equipment (net of advances paid)	3,939.56	2,027.83
	<b>3,939.56</b>	<b>2,027.83</b>

### 34. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current assets</b>		
Inventories, cash and cash equivalents and trade receivables	63,849.29	66,649.13
<b>Total current assets pledged as security</b>	<b>63,849.29</b>	<b>66,649.13</b>

### 35. 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 ₹ 15,333.77 lacs (previous year ₹ 13,358.89 lacs). No other single customer represents 10% or more to the Group revenue for financial year ended 31 March 2022 and 31 March 2021.

Geographical information in respect of revenue from customer is given below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	1,13,500.62	93,505.68
Other countries	18,437.63	15,631.13
	<b>1,31,938.25</b>	<b>1,09,136.81</b>

Carrying amount of segment debtors by geographical market (net of provision)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	19,251.69	19,168.98
Other countries	7,365.25	7,304.76
	<b>26,616.94</b>	<b>26,473.74</b>

The Group has common assets for producing goods for India and outside countries. Hence, separate figures for assets/additions to property, plant & equipment cannot be furnished.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 36(a). Contingent liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Excise duty</b>		
(a) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods	16.43	16.43
(b) Show cause notices on issues yet to be adjudicated	804.46	898.75
<b>(ii) Service tax</b>		
(a) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods	1,045.24	1,059.57
<b>(iii) Sales tax</b>		
(a) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods	652.67	1,633.16
<b>(iv) Goods and Service Tax</b>		
(a) Show cause notices on issues yet to be adjudicated	5.19	-
<b>(v) Income-tax</b>		
(a) Cases decided in the Group's favour by Appellate authorities department has filed further appeal and show cause notices/orders on the same issues for other periods	449.02	449.02
(b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods	2,942.01	2,878.71
(c) Show cause notices on issues yet to be adjudicated	11.39	9.89
<b>(vi) Others</b>		
(a) Employee related cases	135.51	177.22

**36. (b)** During the previous year, pursuant to unfavourable Order from the Hon'ble Supreme Court, in matter of Management of Federal Mogul Goetze India Ltd versus Additional Labour Commissioner (Administration) and Appellate Authority & ORS. vide Special leave petition number 6794-6796/2021 dated 13 May 2021 ('the Order'), the Group considered a provision amounting to 4,275 lacs. The above impact of ₹ 4,275 lacs, was disclosed as exceptional item in the statement of Profit and Loss Account. During the current year ended 31 March 2022, the Group filed a review petition against the said Order before the Hon'ble Supreme Court on 15 June 2021 which was dismissed vide order dated 13 July 2021. Further, the Group received an Order from the Hon'ble High Court of Karnataka directing the Group to pay the disputed amount to employees covered by the said Order in two tranches i.e. to some of the employees by 30 November 2021 and to the remaining employees by 31 January 2022. The Group has complied with the said directions of the Hon'ble High Court of Karnataka and has paid the requisite amounts to the employees by the scheduled dates.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 37. Related party transactions

(i) In accordance with the requirement of Indian Accounting Standard (IndAS - 24) on related party disclosures where control exist and description of the relationship are as follows:"

(a) Name of parties where control exists

(i) Holding Company

- Federal Mogul Holdings Limited (Mauritius)

(ii) Ultimate Holding Company

- Tenneco Inc., USA

(b) Key managerial personnel

- Mr. Vinod Kumar Hans, Whole Time Managing Director
- Mr. Manish Chadha, Chief Finance Officer & Finance Director
- Mr. Rajesh Sinha, Whole Time Director
- Dr. Khalid Iqbal Khan, Whole Time Director- Legal and Company Secretary
- Mr. Krishnamurthy Naga Subramaniam, Non-executive Director
- Mr. Sundarshan Kanakku Chembakaraman Pillai, Non-executive Director
- Ms. Nalini Jolly
- Mr. Abhishek Nagar
- Mr. Kapil Arora, Manager (till 18 April 2020)
- Mr. Takehiko Karasawa, Director
- Mr. Toshiaki Imai, Director

c) Fellow and step fellow subsidiaries

- Federal Mogul Burscheid GMBH, Germany
- Federal Mogul Nurnberg, GMBH (Germany)
- Federal Mogul Holding Deutschland (Germany)
- Federal Mogul Limited (U.K.)
- Federal Mogul Financial Services FRANCTNL (France)
- Federal Mogul Gorzyce, S.A. (Poland)
- Federal Mogul Friedberg, GMBH (Germany)
- Federal Mogul Sintered Products Limited. (U.K.)
- Federal Mogul Friction Products Limited (Thailand)
- Federal Mogul Thailand Manufacturina Ayuthaya, (Thailand)
- Federal Mogul France, S.A. (France)
- Federal Mogul Corporation, Garennes (France)
- Federal Mogul (Shanghai)
- Federal Mogul Friction Products Limited.
- Federal Mogul Worldwide Aftermarket
- Federal Mogul Sistemas Brazil
- Federal Mogul Dongsuh Piston Co. Limited. (China)
- Federal Mogul Bradford Limited.
- Federal Mogul Powertrain Spara, MI
- Federal Mogul KK Yokohama
- Federal Mogul Powertrain Inc, Southbend
- Federal Mogul Chasseneuil
- Federal Mogul Motorparts LLC
- Federal Mogul Naberezhnye Chelny
- Federal Mogul S De RI De Cv
- Federal Mogul Kontich
- Federal Mogul Anand Bearings India Limited
- Federal-Mogul Ignition Products India Limited
- Federal-Mogul Powertrain Solutions India Private Limited
- Federal Mogul Anand Sealing India Limited
- Motocare India Private Limited
- Federal Mogul Motoparts India Limited
- Tenneco Clean Air India Private Limited
- TPR Co. Limited, Japan
- Federal Mogul UK Investments Limited
- Anqing Tp Goetze Piston
- PT TPR Indonesia
- TPR(Tianjin),Ltd
- Federal Mogul TP Europe GMBH & Co KG, Burscheid JV
- TPR Co. Auto Parts Mfg India Ltd



## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

(ii) Those transactions along with related balances as at 31 March 2021 and 31 March 2022 are presented in the following table:

Particulars	Ultimate Holding Company Tennoco Inc. (USA)	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Sales#	-	-
Expenses incurred on Company's behalf	-	-
Expenses incurred by Company	3.22	62.47
Management Support charges	-	-
Balance outstanding as at the end of the period (payables)	-	-
Balance outstanding as at the end of the period receivables	135.49	132.27



### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Fellow Subsidiaries									
	Federal-Mogul Bradford Limited (Germany)		Federal-Mogul Burscheid GmbH, (Germany)		Federal-Mogul Motorparts LLC		Federal Mogul Powertrain Otomotiv A		Federal Mogul Global Aftermarket EM	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Sales#	-	-	-	0.07	<b>4,870.46</b>	4,849.93	<b>222.11</b>	139.02	268.95	29.42
Purchase of raw material#	-	906.67	<b>752.32</b>	469.04	-	-	-	-	-	-
Purchase of fixed assets	-	-	<b>308.14</b>	579.15	-	-	-	-	-	-
Expenses incurred on Company's behalf	-	-	-	64.23	-	-	-	-	-	-
Expenses incurred by Company	-	-	<b>119.39</b>	94.34	-	-	-	-	-	-
Royalty Expenses	--	-	<b>805.41</b>	601.65	--	-	-	-	-	-
Balance outstanding as at the end of the period (payables)	-	-	<b>(376.12)</b>	(465.81)	-	-	-	-	-	-
Balance outstanding as at the end of the period receivables	-	-	<b>223.45</b>	103.96	<b>4,403.27</b>	4,272.83	<b>42.08</b>	44.92	<b>118.28</b>	-

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Fellow Subsidiaries									
	Federal-Mogul Nurnberg, GMBH (Germany)		Federal-Mogul Thailand Manufacturing Ayutthaya (Thailand)		Federal-Mogul Holding Deutschland (Germany)		Federal-Mogul Naberezhnye Chelny		TPR Co. Auto Parts Mfg India Limited	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Sales#	1.58	4.78	4,771.71	4,023.38	-	-	1,009.20	721.99	-	-
Purchase of raw material#	89.19	41.94	-	-	-	-	-	-	-	-
Purchase / (Sale) of Fixed Assets	518.57	1,160.70	-	-	-	-	-	-	-	-
Interest Expenses	-	-	-	-	-	-	-	-	-	-
Management Support charges	-	-	-	-	3,241.28	2,683.35	-	-	-	-
Expenses incurred on Company's behalf	-	7.11	-	-	-	-	-	0.55	-	-
Expenses incurred by Company	-	-	-	-	-	-	-	-	-	-
Commission paid	-	-	-	-	-	-	-	-	18.78	23.69
Royalty Expense	1,187.09	964.74	-	-	-	-	-	-	-	-
Balance outstanding as at the end of the period (payables)	(322.25)	(412.18)	-	-	-	(528.56)	-	-	(5.06)	(6.10)
Balance outstanding as at the end of the period receivables	10.19	22.82	457.55	576.10	48.96	-	202.97	295.85	-	-

**Notes to the Consolidated Financial Statements for the year ended 31 March 2022**

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Fellow Subsidiaries					
	Federal Mogul Powertrain LLC - Sparta		Federal Mogul Corporation - Goryze		Federal Mogul Corporation - Southbend	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Sales#	274.49	7.36	-	-	164.74	0.02
Purchase of raw material#	463.46	260.94	320.88	-	49.84	-
Purchase / (Sale) of Fixed Assets	560.03	-	-	-	605.96	-
Interest Expenses	-	-	-	-	-	-
Management Support charges	-	-	-	-	-	-
Expenses incurred on Company's behalf	-	-	-	-	-	0.61
Expenses incurred by Company	-	-	-	-	-	-
Commission paid	-	-	-	-	-	-
Royalty Expense	-	-	-	-	-	-
Balance outstanding as at the end of the period (payables)	(342.06)	(201.21)	-	-	(602.57)	(40.34)
Balance outstanding as at the end of the period receivables	253.43	7.26	-	-	122.38	-

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Fellow subsidiaries									
	Federal Mogul S De RI De Cv		Federal Mogul Sintered Products Limited, (U.K)		Federal Mogul Friedberg GMBH		Federal Mogul Ltd-UK		Other fellow subsidiaries	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Sales#	-	-	<b>134.98</b>	84.14	-	-	-	-	<b>35.08</b>	41.57
Purchase of raw material#	<b>8.14</b>	6.48	<b>455.98</b>	364.09	-	44.96	-	-	<b>25.71</b>	24.39
Purchase / (Sale) of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Trade Mark & license fees	-	-	-	-	-	-	<b>160.55</b>	129.71	-	-
Management Support charges	-	-	-	-	-	-	-	-	-	-
Expenses incurred on Company's behalf	-	-	-	-	-	-	-	-	-	-
Expenses incurred by Company	-	-	-	-	-	-	-	-	-	-
Royalty Expense	-	-	<b>352.50</b>	298.52	-	-	-	-	-	-
Balance outstanding as at the end of the period (payables)	<b>(0.89)</b>	(3.21)	<b>(236.52)</b>	(175.42)	-	-	<b>(37.12)</b>	(40.19)	<b>(18.28)</b>	(25.62)
Balance outstanding as at the end of the period receivables	-	-	<b>74.17</b>	85.00	-	-	-	-	<b>22.79</b>	29.72

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Fellow subsidiaries												Grand Total	
	Federal Mogul Anand Bearings India Limited (India)		Federal Mogul Ignition Products India Limited (India)*		Tenneco Clean Air India Pvt Ltd		Federal Mogul Powertrain Solutions India Private Ltd (India)		Motocare India Private Limited (India)		Federal Mogul Anand Sealing India Limited			
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021		
Sales#	-	-	-	-	-	-	-	-	-	6,745.50	4,512.49	-	18,498.80	14,414.18
Purchase of raw material, intermediaries and finished goods#	-	-	-	-	-	-	-	-	-	-	-	-	2,165.54	2,118.52
Purchase / (Sale) of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	1,992.71	1,739.85
Expenses incurred on Company's behalf	20.93	17.44	-	-	121.82	82.59	9.21	13.76	330.83	160.67	1.23	-	484.02	346.95
Expenses incurred by Company	7.12	7.12	-	-	46.05	99.26	119.94	185.78	-	0.36	27.10	162.73	319.71	549.59
Inter-corporate deposit (ICD) Taken	-	-	-	-	-	2,200.00	-	-	-	-	-	-	-	2,200.00
Inter-corporate deposit (ICD) Given	-	-	-	-	-	2,200.00	-	-	-	-	3,300.00	-	3,300.00	2,200.00
Interest on ICD	-	-	-	-	-	14.92	-	-	-	-	102.05	-	102.05	14.92
Balance outstanding as at the end of the period. (payables)	-	-	(0.05)	0.13	-	(82.59)	(612.31)	(535.43)	(117.66)	(198.44)	145.37	(26.91)	(2,525.52)	(2,741.87)
Balance outstanding as at the end of the period receivables	49.87	55.45	11.59	10.88	21.24	99.26	610.03	549.86	891.03	565.63	(116.52)	44.70	7,446.76	6,764.23
Loan outstanding	-	-	-	-	-	-	-	-	-	-	3,300.00	-	3,300.00	-
Interest (payable)/receivable	-	-	-	-	-	-	-	-	-	-	22.07	-	-	22.07
Trade Mark & license fees	-	-	-	-	-	-	-	-	-	-	-	-	160.55	129.71
Commission paid	-	-	-	-	-	-	-	-	-	-	-	-	18.78	23.69
Management Support charges	-	-	-	-	-	-	-	-	-	-	-	-	3,241.28	2,683.35
Royalty Expense	-	-	-	-	-	-	-	-	-	-	-	-	2,345.00	1,864.90

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Common Control with holding Co.											
	Federal Mogul UK Investment Limited		TPR Co. Limited Japan		TPR (TIANJIN), LTD		PT TPR Indonesia		ANQUING TP GOETZE PISTON		Grand Total	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Sales#	-	-	-	(2.33)	-	-	90.76	-	-	-	90.76	-2.33
Purchase of raw material, intermediaries and finished goods#	-	-	4.33	10.60	5.71	8.48	68.49	100.84	-	7.55	78.53	127.48
Purchase of property, plant and equipments	-	-	84.20	21.27	-	-	-	-	-	-	84.20	21.27
Dividend Paid	52.20	78.30	232.00	348.00	-	-	-	-	-	-	284.20	426.30
Expenses incurred on Company's behalf	-	-	-	-	-	-	-	-	-	-	-	-
Job work Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Sole selling commission paid	-	-	-	-	-	-	-	-	-	-	-	-
Expenses incurred on Company's behalf	-	-	-	-	-	-	-	-	-	-	-	-
Royalty expense	-	-	132.94	103.28	-	-	-	-	-	-	132.94	103.28
Commission Paid	-	-	-	-	-	-	-	-	-	-	-	-
Inter-Corporate Deposit (ICD) given	-	-	-	-	-	-	-	-	-	-	-	-
Inter-Corporate Deposit (ICD) received back	-	-	-	-	-	-	-	-	-	-	-	-
Interest on ICD	-	-	-	-	-	-	-	-	-	-	-	-
Inter Corporate Deposits with holding company	-	-	-	-	-	-	-	-	-	-	-	-
Balance outstanding as at the end of the year (Payable)	--	-	(30.68)	(34.20)	-	-	(2.42)	(63.26)	-	-	-33.10	-97.46
Balance outstanding as at the end of the year (Receivable)	-	-	0.33	0.96	-	-	1.68	-	9.59	7.52	11.60	8.48

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### Key Managerial Personnel\*

Particulars	Mr Vinod Kumar Hans		Mr Manish Chadha		Mr Khalid Iqbal Khan		Mr Rajesh Sinha	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Remuneration	276.32	213.40	101.52	94.73	106.48	97.26	115.12	106.25

### Key Managerial Personnel\*

Particulars	Mr. Kapil Arora		Mr. Abhishek Nagar		Mr. Toshiaki Imai		Grand Total	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Remuneration	-	9.33	33.47	29.66	48.49	47.00	681.40	597.63

### Non-executive directors

Particulars	Mr Krishnamurthy Naga Subramaniam		KCS Pillai		Ms Nalin Jolly		Total	
	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Director's sitting fee	14.95	12.35	11.00	8.80	8.80	5.00	34.75	26.15

\*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 Purchases above are inclusive of GST (wherever applicable). Sales# are net of Sales# returns

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. 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 2022

Particulars	Category of ROU asset			Total
	Leasehold land	Buildings	Office Equipment	
<b>Gross carrying value</b>				
As at 1 April 2020	362.87	348.90	8.39	720.16
Additions/transfers	-	988.85	-	988.85
Disposals	-	(10.19)	-	(10.19)
<b>As at 31 March 2021</b>	<b>362.87</b>	<b>1,327.56</b>	<b>8.39</b>	<b>1,698.82</b>
Additions/transfers	-	-	-	-
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>
<b>Accumulated depreciation</b>				
As at 01 April 2020	17.12	216.43	2.59	236.14
Depreciation charge for the year	4.28	170.79	2.58	177.65
Disposals	-	-	-	-
<b>As at 31 March 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>
Net carrying value				
<b>As at 31 March 2021</b>	<b>341.47</b>	<b>940.35</b>	<b>3.22</b>	<b>1,285.03</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>

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortization expense in the statement of profit and loss.

#### The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2022

Particulars	As at 31 March 2022
Non-current lease liabilities	830.50
Current lease liabilities	62.47
	<b>892.97</b>

#### The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2021

Particulars	As at 31 March 2021
Non-current lease liabilities	892.97
Current lease liabilities	68.26
	<b>961.23</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### The following is the movement in lease liabilities for the year ended 31 March 2022

Particulars	As at 31 March 2022
As at 01 April 2021	961.23
Additions	-
Interest on lease liabilities	74.41
Deletions	-
Payment of lease liabilities	(142.67)
	<b>892.97</b>

### The following is the movement in lease liabilities for the year ended 31 March 2021

Particulars	As at 31 March 2021
As at 01 April 2020	147.18
Additions	988.85
Interest on lease liabilities	35.01
Deletions	(11.10)
Payment of lease liabilities	(198.71)
	<b>961.23</b>

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	131.52	146.87
One to five years	615.53	580.18
More than five years	471.39	638.25

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:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation expense of right-of-use assets	<b>126.84</b>	177.65
Interest expense on lease liabilities	<b>74.41</b>	35.01
Expense relating to short-term leases (included in other expenses)	<b>69.65</b>	96.37
	<b>270.90</b>	<b>309.03</b>

### (ii) Lease related disclosures

- (a) The Group has leases for land and 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 and buildings and Office equipment.
- (b) Total cash outflow for leases for the year ended 31 March 2022 was ₹ 142.67 lacs (31 March 2021 ₹ 198.71 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.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### (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	73 Years	73 Years	1	-	1
Buildings	2	5-92 months	49 months	2	-	2
Office Equipment	1	3 months	3 months	1	-	1

(e) There are no leases which are yet to commence as on 31 March 2022.

### 39. Employee benefit obligations

#### Gratuity

The parent and subsidiary 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 Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the plan.

#### Disclosure of gratuity

#### (i) Amount recognised in the statement of profit and loss is as under:

Description	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	581.53	537.16
Interest cost	686.69	672.91
Expected Return on plan assets	(517.07)	(472.20)
<b>Amount recognised in the statement of profit and loss</b>	<b>751.15</b>	<b>737.87</b>

#### (ii) Remeasurement (gains)/loss recognised in other comprehensive income

Description	Year ended 31 March 2022	Year ended 31 March 2021
Actuarial loss on obligations arising from changes in demographic adjustments	-	76.60
Actuarial (gain) on obligations arising from changes in experience adjustments	(193.35)	(208.30)
Actuarial loss/(gain) on obligations arising from changes in financial assumptions	49.56	(104.95)
<b>Remeasurements of the post employment defined benefit plans (gain)/loss</b>	<b>(143.79)</b>	<b>(236.65)</b>
Return on plan assets (greater) than discount rate	(1.95)	(93.06)
<b>Remeasurements of the post employment defined benefit plans (gain)/loss recognised in OCI</b>	<b>(145.74)</b>	<b>(329.71)</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### (iii) Movement in the liability recognised in the balance sheet is as under:

Description	Year ended 31 March 2022	Year ended 31 March 2021
<b>Present value of defined benefit obligation as at the beginning of the year</b>	<b>10,388.96</b>	<b>10,596.03</b>
Current service cost	581.53	537.16
Interest cost	686.69	672.91
Remeasurements of the post employment defined benefit plans (gain)/loss	(143.79)	(236.65)
Benefits paid directly by the group	(0.78)	-
Benefits paid from the fund	(928.04)	(1,180.49)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>10,584.57</b>	<b>10,388.96</b>

### (iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	Year ended 31 March 2022	Year ended 31 March 2021
Fair value of plan assets at beginning of year	7,717.58	7,156.68
Expected return on plan assets	517.08	472.20
Contributions by employer	1,315.99	1,176.13
Benefits paid	(928.04)	(1,180.49)
Remeasurements of the post employment defined benefit plans (gain)/loss	1.95	93.06
<b>Fair Value of plan assets at the end of the year</b>	<b>8,624.56</b>	<b>7,717.58</b>

Description	As at 31 March 2022	As at 31 March 2021
Defined benefit obligation	10,584.57	10,388.96
Fair valuation of plan assets	8,624.56	7,717.58
	<b>1,960.01</b>	<b>2,671.38</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.

#### (vi) Plan assets/liability

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows

Description	Year ended 31 March 2022	Year ended 31 March 2021
Insurance company products	95.72%	95.82%
Equity shares	0.00%	0.00%
Bonds (including accrued interest)	0.00%	0.00%
Investment funds	2.62%	2.93%
Cash	1.66%	1.25%

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### (vii) Actuarial assumptions

Description	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	7.00% p.a.	6.70% p.a.
Normal retirement age*	60 years	60 years
Employee turnover#	1% - 4.3%p.a.	1% - 4.3%p.a.
Expected rate of return on Plan Assets	7.00% p.a.	6.70% p.a.
Salary increase rate#	3% - 9%p.a.	3% - 8.5%p.a.

\* 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 assumptions

Description	Year ended 31 March 2022	Year ended 31 March 2021
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	<b>10,584.57</b>	10,388.96
- Impact due to increase of 0.50 %	<b>10,221.10</b>	10,029.82
- Impact due to decrease of 0.50 %	<b>10,937.51</b>	10,769.87
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	<b>10,584.57</b>	10,388.96
- Impact due to increase of 0.50 %	<b>10,890.90</b>	10,724.71
- Impact due to decrease of 0.50 %	<b>10,256.61</b>	10,064.28

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	Year ended 31 March 2022
Year ended 31 March 2023	287.80
Year ended 31 March 2024	1,213.56
Year ended 31 March 2025	1,250.11
Year ended 31 March 2026	1,532.01
Year ended 31 March 2027	1,548.78
Year ended 31 March 2028 to 31 March 2032	8,022.58

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 40. 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 Group's revenue from contracts with customers:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Revenue from contracts with customers</b>		
<b>Sale of products</b>		
Domestic	1,13,500.62	93,505.68
Export	18,437.63	15,631.13
<b>Other operating income</b>	<b>2,323.72</b>	<b>1,579.64</b>
<b>Total revenue covered under Ind AS 115</b>	<b>1,34,261.97</b>	<b>1,10,716.45</b>

#### c. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Contract liabilities</b>		
Advances from consumers	258.91	239.00
Security deposits received from customers	379.10	393.67
<b>Total contract liabilities</b>	<b>638.01</b>	<b>632.67</b>
<b>Receivables</b>		
Trade receivables	26,975.73	26,762.55
Less : Allowances for expected credit loss	(358.79)	(288.81)
<b>Net receivables</b>	<b>26,616.94</b>	<b>26,473.74</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 Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### d Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

Particulars	As at 31 March 2022	
	Contract Liabilities	
	Advances from consumers	Security deposits received from customers
<b>Opening balance</b>	<b>239.00</b>	393.67
Addition during the year	<b>6,558.81</b>	31.68
Revenue recognised during the year/amount refunded during the year	<b>(6,538.90)</b>	(46.25)
<b>Closing balance</b>	<b>258.91</b>	<b>379.10</b>

Particulars	As at 31 March 2021	
	Contract Liabilities	
	Advances from consumers	Security deposits received from customers
<b>Opening balance</b>	<b>165.39</b>	422.48
Additions during the year	<b>7,794.32</b>	27.90
Revenue recognised during the year/ amount refunded during the year	<b>(7,720.71)</b>	<b>(56.71)</b>
<b>Closing balance</b>	<b>239.00</b>	<b>393.67</b>

### e. 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.

### f. 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 days).

### g. 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 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 41. Details of dues to micro 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:

Particulars	As at 31March 2022	As at 31March 2021
a The principal amount remaining unpaid as at the end of year	1,654.70	1,513.39
b Interest due on above principal and remaining unpaid as at the end of the year	0.29	0.04
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.	6.73	5.24
e The amount of interest accrued and remaining unpaid at the end of each accounting year; and	7.02	6.91
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	-	--

### 42. Provision for regulatory matters

The Parent Company is continuously evaluating processes for regulatory matters at its factories based on most accurate evidences available, a provision, towards costs to be incurred to remediate these matters, of ₹ 219.04 lacs is included under Note no. 13 for provisions which are net of amounts utilized of ₹ 67.97 lacs during the year towards remediation.

In addition to the above, the provision for regulatory matters includes a provision of ₹ 1,416.58 lacs towards certain other regulatory matters.

The Group is actively seeking to resolve these actual and potential statutory, taxation, regulatory and contractual obligations. In accordance with requirements of Indian Accounting Standard (Ind AS) 37 on 'Provisions, Contingent liability and Contingent assets' issued by the Institute of Chartered Accountants of India, although difficult to quantify based on the complexity of the issues, the Group has accrued amounts corresponding to its best estimate of the costs associated with such regulatory and contractual obligations on the basis of available information and best professional judgment of experts appointed for this exercise.

Based on consultations obtained from the experts in respect of the said matters, in management's view, no further costs are expected to be incurred for which a provision would be required at this stage and considers the provisions made to be adequate.

### 43. Management support charges

During the financial year 2021-22, Group has paid the management support charges under cost allocation agreement with Federal Mogul Holding Deutschland GmbH to ₹ 3,241.28 lacs (previous year ₹ 2,683.35 lacs).

These charges are 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. This charge is based on actual services received by the Group on cost basis without any mark up and is at an arm's length basis.

### 44. 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 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 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 45. Corporate social responsibility

- a) Gross amount required to be spent by the Group during the year in compliance with section 135 of the Act is ₹ 145.37 lacs (previous year: ₹ 240.96 lacs)
- b) Amount spent during the year on-

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Construction/acquisition of any asset	110.21	43.88
(ii) On purposes other than (i) above	43.00	197.21
	153.21	241.09

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 amount spent:

Opening balance	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	145.37	153.21	(7.78)

f) There is no shortfall in CSR expenditure at the end of the year.

g) The Company's Corporate social responsibility activities involve promotion of education, environment protection, protection of wild life and preventive healthcare.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 46. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Lease liabilities	Interest
Opening Balance 1 April 2020	147.18	80.50
<b>Non cash changes due to</b>		
- Recognition of lease liabilities	988.85	-
- Interest expense	35.00	189.88
<b>Cash flows during the year due to</b>		
- Repayment of lease liabilities	(11.09)	-
- Movement in short term borrowings during the year	(198.71)	-
- Payment of interest	-	(216.80)
<b>Closing Balance as on 31 March 2021</b>	<b>961.23</b>	<b>53.58</b>
<b>Non cash changes due to</b>		
- Interest expense	74.40	420.52
<b>Cash flows during the year due to</b>		
- Repayment of lease liabilities	(142.67)	-
- Payment of interest	-	(332.52)
<b>Closing Balance as on 31 March 2022</b>	<b>892.97</b>	<b>141.58</b>

\* Excluding cash credit facilities from bank which has been considered as part of cash and cash equivalents as per requirement of Ind AS - 7( Statement of Cash Flows)

### 47. Disclosure of additional information pertaining to the Parent and subsidiary company per Schedule III of Companies Act, 2013 :

Name of the Company	2021-22							
	Net Assets (Total Assets minus Total Liabilities)		Share in profit and loss		Other comprehensive (OCI)		Total comprehensive income (TCI)	
	As % of Consolidated net assets	Net assets	As % of Consolidated profit & loss	Profit / (loss)	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

Name of the Company	2020-21							
	Net Assets (Total Assets minus Total Liabilities)		Share in profit and loss		Other comprehensive (OCI)		Total comprehensive income (TCI)	
	As % of Consolidated net assets	Net assets	As % of Consolidated profit & loss	Profit / (loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
<b>Parent Company</b>								
Federal Mogul Goetze (India) Limited	84.8	75,181.80	(82.01)	(404.95)	98.54	243.13	(21.85)	(161.82)
<b>Indian Subsidiary</b>								
Federal-Mogul TPR (India) Limited	15.2	13,509.90	182.01	898.76	1.46	3.59	121.85	902.35

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31 March 2021



## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### 48. Non-controlling interest

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	6,619.84	6,603.99
Share of profit during the year	477.99	440.39
Share of other comprehensive income/(loss) during the year	2.05	1.76
Dividend paid during the year (including tax for previous year)	(284.20)	(426.30)
<b>Closing balance</b>	<b>6,815.68</b>	<b>6,619.84</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

Particulars	As at 31 March 2022	As at 31 March 2021
Current assets	9,567.99	10,663.38
Current liabilities	1,296.79	1,592.50
<b>Net current assets</b>	<b>8,271.20</b>	<b>9,070.88</b>
Non-current assets	6,305.62	5,216.79
Non-current liabilities	667.26	777.77
<b>Net non-current assets</b>	<b>5,638.36</b>	<b>4,439.02</b>
<b>Net assets</b>	<b>13,909.56</b>	<b>13,509.90</b>
<b>Accumulated to NCI</b>	<b>6,815.68</b>	<b>6,619.84</b>

#### b) Summarised Statement of Profit and Loss

##### Federal-Mogul TPR (India) Limited

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Revenue	10,236.01	9,070.54
Profit for the year	975.49	898.76
Other comprehensive income/(loss)	(4.17)	(3.59)
<b>Total comprehensive income</b>	<b>979.66</b>	<b>902.35</b>
Profit allocated to NCI	477.99	440.39
Other comprehensive income/(loss) allocated to NCI	(2.05)	(1.76)
Dividends paid to NCI	284.20	426.30

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts in Rs. lacs, unless otherwise stated)

### c) Summarised Cash Flows

Federal-Mogul TPR (India) Limited

Particulars	As at 31 March 2022	As at 31 March 2021
Cash flows from operating activities	292.12	2,688.71
Cash flows from investing activities	(1,643.17)	573.88
Cash flows from financing activities	(681.96)	(968.29)
<b>Net increase in cash and cash equivalents</b>	<b>(2,033.01)</b>	<b>2,294.30</b>

50. The Group continues to closely monitor the impact of COVID - 19 pandemic and believes that there is, currently, no material impact on its long-term operations and financial performance of the Group. Further, the Group does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, thus no impact on the financial statements.
51. The Indian Parliament has approved the Code on Social Security, 2020 which could have a likely impact on the contributions made by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The effective date from which the Code and applicable Rules shall be applicable is yet to be notified. The Company shall assess and evaluate the likely financial impact once the subject rules are notified and become effective.

#### For Walker Chandio & Co. LLP Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### Ankit Mehra

Partner

Membership No.: 507429

Place: Gurugram

Date: 20<sup>th</sup> May 2022

#### 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

#### Khalid Iqbal Khan

Whole Time Director - Legal & Company Secretary

DIN : 05253556









# FEDERAL-MOGUL GOETZE (INDIA) LIMITED

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