



Federal-Mogul Goetze (India) Limited  
A Tenneco Group Company  
Corporate Office : Paras Twin Towers,  
10th Floor, Tower B, Sector 54,  
Golf Course Road, Gurugram - 122 002  
Tel. : (91-124) 4784530 • Fax : (91-124) 4292840

Dt.: 02 September, 2021

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

***Ref: Reg. 30 & 34 of SEBI (LODR) Regulations, 2015***

**Sub.: 66<sup>th</sup> Annual Report for the Financial Year 2020-21 and Notice of the 66<sup>th</sup> Annual General Meeting of the Company**

Dear Sir/Ma'am,

Pursuant to Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the 66<sup>th</sup> Annual Report alongwith the Notice of the 66<sup>th</sup> Annual General Meeting of the Company for the financial year ended 31<sup>st</sup> March, 2021.

In compliance with the relevant Circulars issued by the Securities Exchange Board of India, the Notice of the 66<sup>th</sup> Annual General Meeting and the Annual Report for the financial year 2020-21 is being sent to the shareholders through electronic mode at their registered e-mail addresses and are also available on the Company's website at <http://www.federalmogulgoetzeindia.net/web/index.html>.

This is for your kind information and record.

Regards.

Yours truly,  
For **Federal-Mogul Goetze (India) Limited**

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

Encl: As above

- CC: 1. National Securities Depository Limited  
Trade Word, 4<sup>th</sup> Floor  
Kamala Mills Compound  
Senapati Bapat Marg  
Lower Parel, Mumbai 400 013
2. Central Depository Services [India] Limited  
Marathon Futurex, A- Wing,  
25<sup>th</sup> Floor, NM Joshi Marg,  
Lower Parel, Mumbai- 400 013



# **FEDERAL-MOGUL GOETZE (INDIA) LIMITED**



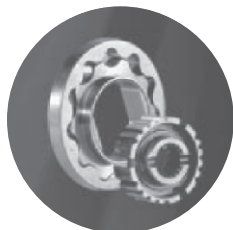
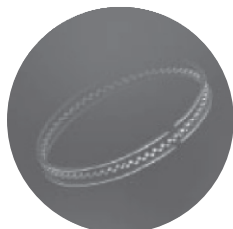
**66<sup>th</sup> Annual Report - 2020-21**







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## BOARD OF DIRECTORS

Chairman & Director  
Mr. K. N. Subramaniam

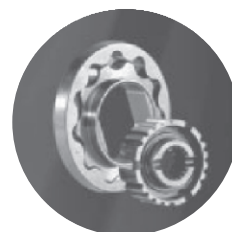
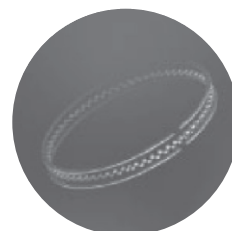
Whole Time Managing Director  
Mr. Vinod Kumar Hans

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

Chief Finance Officer & Finance Director  
Mr. Manish Chadha

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

Auditors  
M/s. Walker, Chandio & Co. LLP



### 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

Deutsche Bank AG  
HDFC Bank Ltd.  
Kotak Mahindra Bank Ltd.  
State Bank of India  
Yes Bank Limited



## TEN YEAR'S FINANCIAL REVIEW

(Rs. in lacs)

|   | March<br>2021 | March<br>2020 | March<br>2019 | March<br>2018 | March<br>2017 | March<br>2016 | March<br>2015<br>(15 months) | December<br>2013 | December<br>2012 | December<br>2011 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|------------------------------|------------------|------------------|------------------|
| Total Income (gross)  | 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      | 1,26,312.25      |
| Depreciation  | 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         | 5,365.89         |
| Profit before Tax   | 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)       | 4,864.01         |
| Taxation<br>(adjmt for excess<br>provision for prev.yr.<br>written back if any) | 61.65         | 19.57         | 4,755.24      | 5,109.62      | 3,780.76      | 2,779.51      | 1,610.19                     | 977.29           | 251.82           | 1,117.84         |
| Profit after Tax  | 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)       | 3,746.17         |
| Dividend  | -             | -             | -             | -             | -             | -             | -                            | -                | -                | -                |
| Dividend Tax  | -             | -             | -             | -             | -             | -             | -                            | -                | -                | -                |
| Retained Profit/(Loss)  | 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)       | 3,746.17         |

## Assets Liabilities & Net Worth

|               | March<br>2021 | March<br>2020 | March<br>2019 | March<br>2018 | March<br>2017 | March<br>2016 | March<br>2015 | December<br>2013 | December<br>2012 | December<br>2011 |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|------------------|------------------|
| Fixed Assets  | 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        | 46,346.75        |
| Investments   | 517.43        | 516.94        | 516.94        | 513.25        | 513.25        | 510.00        | 510.00        | 510.00           | 510.00           | 2,092.34         |
| Indebtedness  | -             | -             | 6,661.45      | 6,812.67      | 11,593.22     | 20,132.59     | 21,975.54     | 20,244.13        | 19,021.30        | 15,384.40        |
| 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      | 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        | 35,955.90        |
| Net Worth     | 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        | 41,519.11        |

## Significant Ratios

(Rs. in lacs)

|  | March<br>2021 | March<br>2020 | March<br>2019 | March<br>2018 | March<br>2017 | March<br>2016 | March<br>2015 | Decr<br>2013 | Decr<br>2012 | Dec<br>2011 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|-------------|
| <b>A. Measurement of Investment</b>                |               |               |               |               |               |               |               |              |              |             |
| Percentage of Return on<br>Investment (annualised) | 0.50          | 2.69          | 17.56         | 19.57         | 16.02         | 10.54         | 7.34          | 5.01         | (2.40)       | 9.41        |
| Percentage of Return on<br>Equity(annualised)      | 0.50          | 2.81          | 19.27         | 22.54         | 20.84         | 15.25         | 10.91         | 7.42         | (3.40)       | 12.27       |
| Dividend Cover (Ratio)                             | -             | -             | -             | -             | -             | -             | -             | -            | -            | -           |
| <b>B. Measurement of Performance</b>               |               |               |               |               |               |               |               |              |              |             |
| Percentage of Profit before<br>Tax to sales        | 0.35          | 1.96          | 10.09         | 10.20         | 7.91          | 4.91          | 2.85          | 2.44         | (1.06)       | 4.05        |
| Percentage of Profit after<br>Tax to sales         | 0.29          | 1.94          | 6.49          | 6.38          | 5.19          | 3.01          | 1.88          | 1.65         | (1.26)       | 3.12        |
| <b>C. Measurement of Financial Status</b>          |               |               |               |               |               |               |               |              |              |             |
| Percentage of term Loans to<br>Tangible Net Worth  | -             | -             | -             | -             | 0.08          | 0.23          | 0.20          | 0.18         | 0.10         | 1.93        |
| Current Ratio                                      | 1.83          | 1.90          | 1.61          | 1.39          | 1.20          | 0.98          | 0.93          | 0.90         | 0.83         | 1.04        |
| <b>D. General</b>                                  |               |               |               |               |               |               |               |              |              |             |
| Dividend per Equity<br>Share (Rs.)                 | -             | -             | -             | -             | -             | -             | -             | -            | -            | -           |
| Earnings per Equity<br>Share (Rs.) (annualised)    | 0.14          | 5.36          | 14.83         | 14.91         | 13.33         | 7.91          | 5.64          | 3.70         | (2.94)       | 6.73        |
| Book Value per Equity<br>Share (Rs.)               | 136.13        | 135.56        | 131.83        | 116.45        | 101.11        | 88.18         | 81.03         | 75.39        | 71.69        | 74.63       |



## Corporate Social Responsibility Activity

### NAVIGATING THE NEW NORMAL

Covid-19, the infectious disease triggered by the Sars-Cov-2 virus has tremendously impacted the socio-economic circumstances of the entire world. There is no doubt that CSR activities are intended for the general public, but it starts first and foremost with the employees of the Company. The Company took precautionary measures to safeguard the health of the employees. Most employees were asked to work from home. For those on emergency duty, use of masks and frequent washing & sanitising of hands was



The company announced a new awareness campaign focused on promoting good health practices, inside and outside of the workplace - among employees, their families and communities.



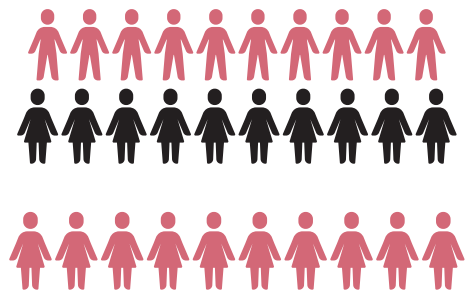
Employee wellbeing isn't just a 'nice-to-have', it is a 'must-have' for companies that have their sights set on success. Achieving and maintaining good health represents a victory over the current COVID-19 pandemic. Sustaining good health among our teams is critical. Good physical, emotional and mental health translates into better coping skills, greater productivity and more meaningful contributions in the long-term. This initiative is designed to support employee wellbeing and, by extension, our plants and the Company. Each month, a new theme was introduced, which was shared through various channels such as emails, posters, intranet stories, and Yammer (internal social media). The theme for the inaugural campaign was 'Stop COVID-19 / 24 Hours a Day'. This was circulated widely to school children and the general public through our NGOs. The importance of staying masked, washing hands, and practicing social distancing - at work and at home - were explicated and stressed upon.



## UNDER-PRIVILEGED CHILDREN WORST HIT BY COVID-19

- Due to economic uncertainty in low-income families, the number of children who do not attend school is on the rise. Many parents who were already indecisive about sending their children to school were forced to withdraw them. Such families are struggling for sustenance and may choose to prioritise the income their kids can bring in by working over education.
- Furthermore, as they are among those studying with traditional textbooks, with limited support from home, their learning outcomes are likely to be poorer than before.
- The global pandemic has made visible the central role of adult education and lifelong learning, as people of all ages now need to be educated to create new ways of (re)organising social and educational learning.
- The learning levels of children from low income groups have suffered most during the pandemic since they have limited access to smart phones
- Lastly, the pandemic has shown just how unprepared we were for a massive shift to digital and distance learning.

Six million children are  
out of school in India  
due to COVID-19



Girls are most affected





## **CSR ACTIVITY REPORT**





## SCHOOLS

### Activity Report

#### Transformation of School By Infrastructural Renovation

- School Building was Repaired and Painted.
- BALA Painting was done in classrooms and corridors.
- Boundary wall was erected around school premises for the safety of children.
- Interlocking tiles were laid in the open prayer ground.
- Hand wash stations were made.

- Volunteers /Teachers conducted virtual classes and reached out to students via text messages, phone calls, Whatsapp etc. Hard copies of worksheets were distributed to students who have no access to smartphones.
- Ration kit/cooked food packets were distributed during the lockdown.
- Well-being calls were made to the students and their parents. Virtual counselling sessions to support them were also conducted.
- Volunteers/ Teachers conducted virtual sessions to make the students aware of personal hygiene. Proper hand washing techniques were emphasised with a 'Hand wash activity' to help safeguard them from COVID-19.
- Virtual PTM was conducted with parents. Feedback regarding their wards' learning outcomes was shared.
- In our endeavour to promote digital literacy, Tablets were distributed, which helped the students to learn more effectively.
- Health Camp and other events like Yoga Day, Independence Day, Dussehra, Diwali, Children's Day etc. were celebrated via online platforms.



## SILAI CENTRES

### Activity Report

- During COVID, the Self Help Group (SHG) ladies at Silai Centre Production Unit were working from home and stitching Mobile Carrying Cases, Door Mats, Apron etc. using old clothes.
- SHG women made around 400 face masks at the production unit which were later distributed in the community to needy people free of cost.
- SHG also got an order to stitch 2000 face masks and 250 shirts from M/S Ridhi Uniforms, Bhiwadi. This was completed at the production unit by following all COVID appropriate safety measures.
- A total of 22 SHG women have started taking small orders of ladies' suits, blouses and other garments from local women and have started earning about Rs. 5000 per month.





## TECHINICAL TRAINING CENTRE

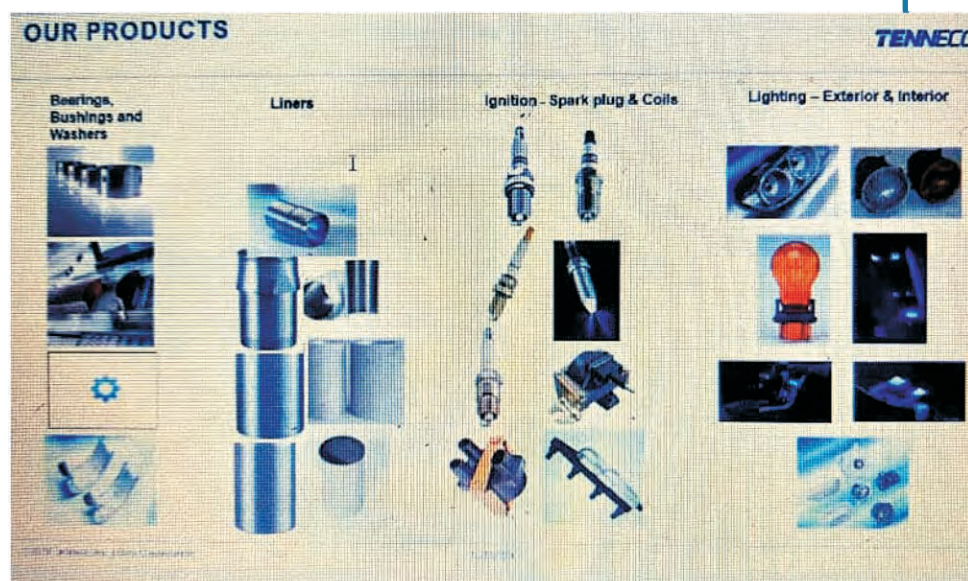
### Activity Report

The beneficiaries of the Technical Training Centre for underprivileged youth, being run in liaison with SNS Foundation, are normally taken for an exposure visit to the Patiala plant after completion of the Training Program. Due to the COVID situation we were not able to arrange the plant visit and instead arranged a virtual training session.

The power point presentation covered topics like :

- General safety rules
- Product Introduction
- Process flow Piston Foundry & Machine Shop
- Process flow Ring Foundry & Machine Shop

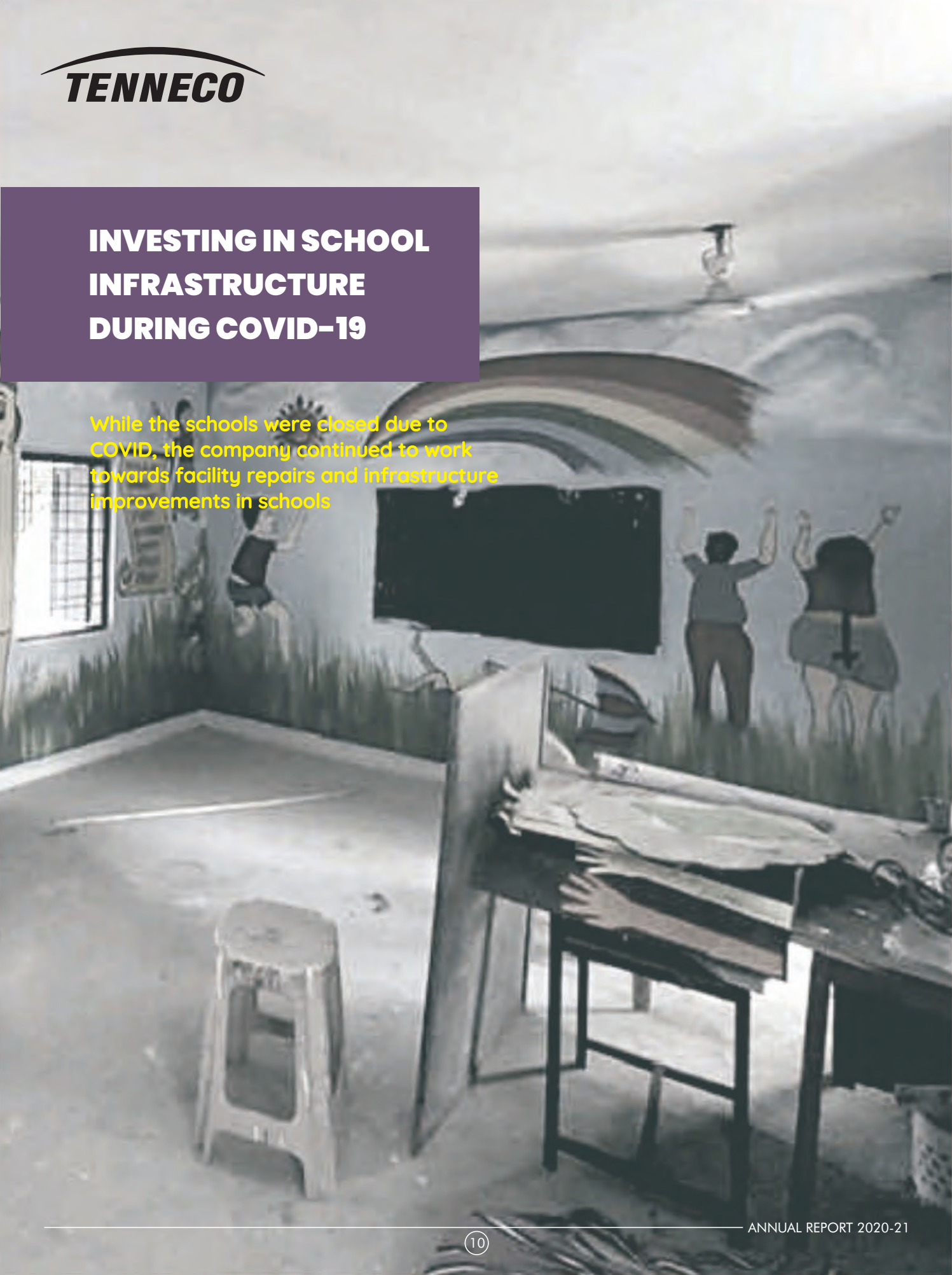
Overall, the session was very interactive & interesting.





## INVESTING IN SCHOOL INFRASTRUCTURE DURING COVID-19

While the schools were closed due to COVID, the company continued to work towards facility repairs and infrastructure improvements in schools





## BHIWADI SCHOOL

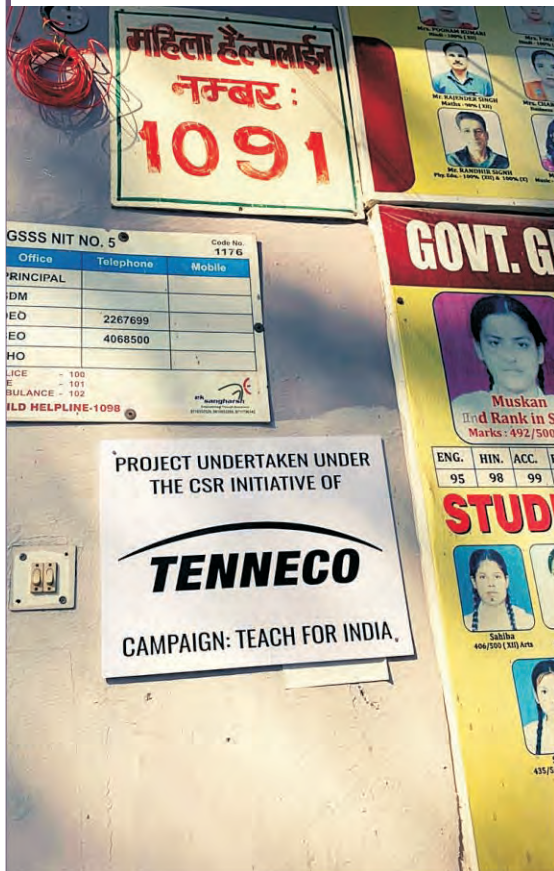
Our Bhiwadi School is now completely renovated with Building As Learning Aids (BALA) paintings. The BALA painting stimulates the curiosity amongst children to learn and remember better.





## GOVT. GIRLS SENIOR SECONDARY SCHOOL, NIT 5, FARIDABAD

The Company supported Govt. Girls Senior Secondary School, NIT 5, Faridabad in the improvement of school infrastructure.





## GOVT. PRIMARY SCHOOL, SECTOR 3, BALLABGARH

The Company constructed toilets at Govt. Primary School, Sector 3, Ballabgarh.





## **TEHRI SCHOOL, PATIALA**



The Company constructed 2 rooms at Tehri School, Patiala.



**INVESTING IN  
HEALTHCARE  
INFRASTRUCTURE**

A large white sign for a health centre. It features the text "ਸਬਸਿਡਰੀ ਹੈਲਥ ਸੈਂਟਰ" in Gurmukhi script, "SUBSIDIARY HEALTH CENTRE" in English, and "ਬਹਾਦਰਗੜ੍ਹ / BAHADURGARH" in Gurmukhi and English. Below this, it says "nstructed By: Federal Mogul Goetze (India) Limited, Bahadurgarh". There is a small circular logo on the left and a "FEDERAL-MOGUL POWERTRAIN" logo on the right.

ਸਬਸਿਡਰੀ ਹੈਲਥ ਸੈਂਟਰ  
SUBSIDIARY HEALTH CENTRE  
ਬਹਾਦਰਗੜ੍ਹ / BAHADURGARH  
nstructed By: Federal Mogul Goetze (India) Limited, Bahadurgarh



## BAHADURGARH DISPENSARY, PATIALA



The Company provided 2 nos. air conditioners.

The Company provided barbed wire on the boundary wall for the purpose of security.





The background of the page is a large mural from Hampi Zoo. It depicts a black and white spotted deer with long, spiraling antlers standing in a field of green grass. In the upper right, a lion's head is visible. The text "HAMPI ZOO" is written in large, bold, black letters across the top left. Below the mural, a dark blue banner with white text is partially visible.

## PROTECTING THE ENVIRONMENT

ARI HAPPIE ECOLOGICAL PA  
KAMALAMPUR HOSPITAL



## HAMPI ZOO

Wild animals play an important role in balancing our ecosystem and stabilizing natural processes.

The Company takes pride in working to protect threatened species in India under the umbrella of CSR.



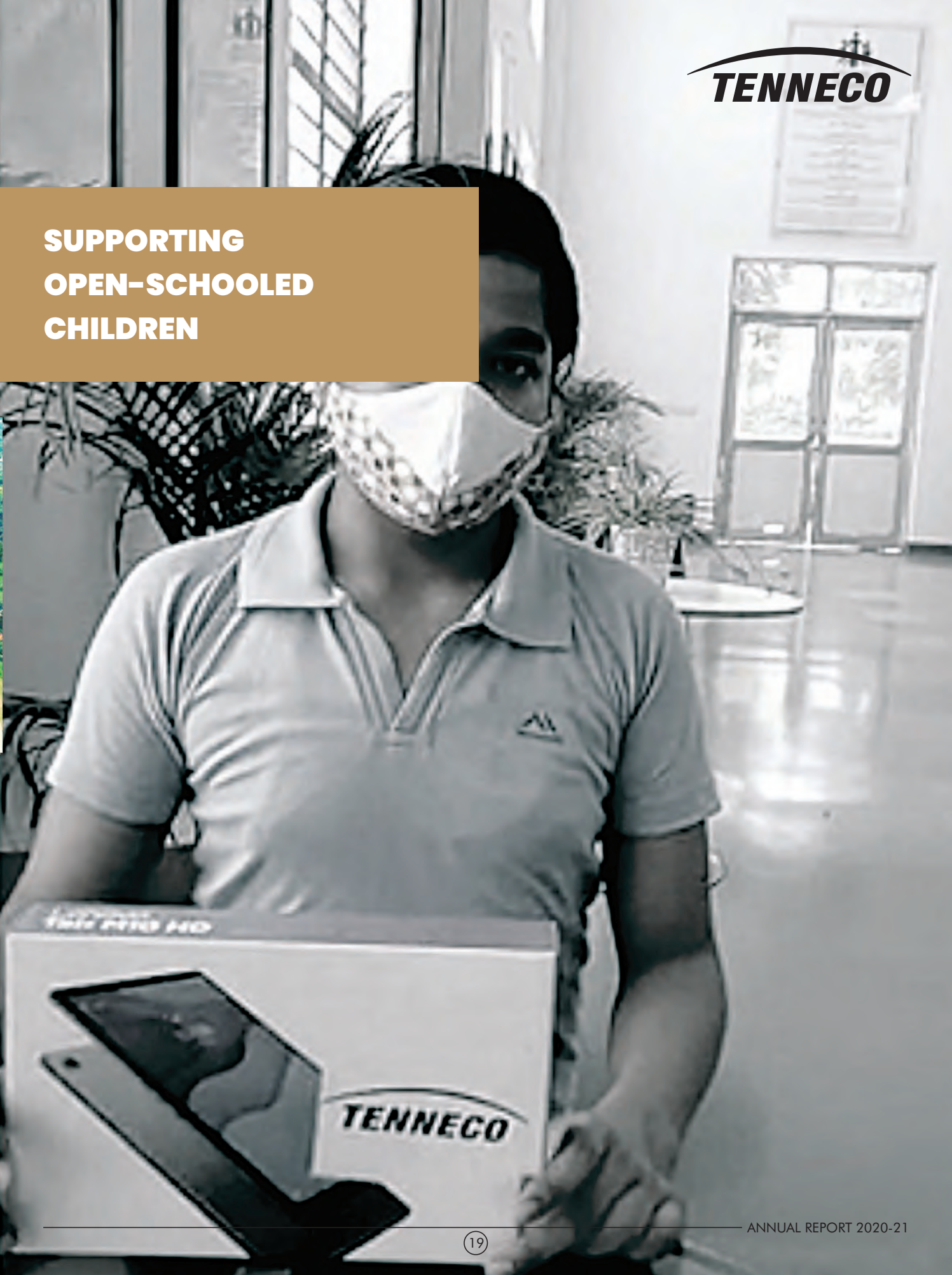
The Company is committed to construct day crawls for Lions and Tigers (endangered species) at Sri Atal Bihari Vajpayee Zoological Park, popularly known as the Hampi Zoo. It is situated inside the Bilikal West Reserve Forests Area occupying a total area of 141.59 Hectares.



ZOO AUTHORITY OF KARNATAKA  
Sri ATAL BIHARI VAJAPAYEE  
**ZOOLOGICAL PARK**  
141.59 HA  
KAMALAPURA  
HOSPET (TQ) BELLARY (DIST)



**SUPPORTING  
OPEN-SCHOOLED  
CHILDREN**





## TEHRI SCHOOL, PATIALA

Owing to the pandemic, the education of National Institute of Open Learning (NIOS) students has been severely affected. Students from lower income families have been the worst hit. In our endeavour to promote digital literacy and enable NIOS children to study from home, the Company donated 95 tablets to NIOS children and teachers at IIT and Gurgaon Centres.



### Distribution of Tablets to NIOS students



The tablets were preloaded with learning material and textbooks. The aim is to help students study online and improve learning outcomes. It was decided that these tablets would be issued on the pattern of library books and the students would return them after class 10th and 12th exams.



## AWARDS & RECOGNITION







The Company received the 'Corona Warrior' Award from the Bhiwadi Manufacturing Association (BMA). The BMA is an association which represents more than 6000 industries at Bhiwadi and its nearby Industrial Areas. It is well-known through the state of Rajasthan. The BMA awarded our organisation with the 'Corona Warrior' award at the BMA house in the presence of many Industrialists and Government Officials.

'The Company was awarded the 'Corona Warrior' Appreciation Certificate by the Labour, Factories & Boilers Inspection Department, Government of Rajasthan. The Company was felicitated with the 'Corona Warrior' Appreciation Certificate at a ceremony at the Pratap Auditorium in Alwar. The certificate was presented by Sri Tika Ram Jolly, honourable Labour Minister, Government of Rajasthan & Sri Jitendra Singh, Former Minister of State for Youth affairs & Sports, Government of India.





**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 :** [investor.grievance@tenneco.com](mailto:investor.grievance@tenneco.com);**Website :** [www.federalmogulgoetzeindia.net](http://www.federalmogulgoetzeindia.net)**NOTICE**

Notice is hereby given that the 66<sup>th</sup> (Sixty-sixth) Annual General Meeting (AGM) of the Federal-Mogul Goetze (India) Limited (the Company) will be held on Monday, 27<sup>th</sup> September, 2021 at 11:00 AM 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 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, 2021 and Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Vinod Kumar Hans (DIN: 03328309) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajesh Sinha (DIN: 07358567) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

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

**4. Ratification of Remuneration to Cost Auditor for the financial year 2021-22**

**"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 M/s 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 2021-22, 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 RESOLUTIONS:**

**5. Re-Appointment of Dr. Khalid Iqbal Khan as Whole-Time Director - Legal & Company Secretary of the Company including terms of appointment**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 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, to re-appoint Dr. Khalid Iqbal Khan, as the Whole Time Director-Legal & Company Secretary of the Company, for a period of three (3) years w.e.f. 22<sup>nd</sup> May 2021 to 21<sup>st</sup> May, 2024 on the following terms and conditions:

|             |   |
|-------------|---|
| Base Salary | : Salary in the scale of Rs. 31,80,000/- - Rs. 40,00,000/- per annum subject to review by the Board/Nomination & Remuneration Committee.  |
| Perquisites | : - HRA: 50% of the base salary p.a.<br>- Special Allowance: In the scale of Rs. 25,38,660/- p.a. to Rs. 32,00,000/- p.a. subject to review by the Board/Nomination & Remuneration Committee.<br>- LTA: As per the rules of the Company from time to time;<br>- Medical Reimbursement: As per the rules of the Company from time to time;<br>- Bonus: Dr. Khalid will be entitled to annual MIP bonus subject to a maximum of Rs. 23,00,000/- p.a.<br>- Car Allowance: As per Company's policy from time to time.<br>- Petrol & Maintenance reimbursement: On the basis of actual expense.<br>- Provident Fund Contribution: 12% of Base Salary.<br>- Gratuity: 4.81% of Base salary. |





**RESOLVED FURTHER** that where in any financial year during the tenure of appointment of Dr. Khalid Iqbal Khan, Whole Time Director-Legal & Company Secretary, of the Company has no profits or its profits are inadequate, Dr. Khan, 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 & Remuneration Committee or the Board of Directors be and is hereby authorized, from time to time, to alter/vary the terms and conditions of appointment of Dr. Khan as Whole Time Director-Legal & Company Secretary, of the Company, including the payment of remuneration to him within the maximum permissible limits under Schedule V to the Companies Act 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 : 28<sup>th</sup> June 2021  
Place : Gurugram



## Notes:

1. 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 (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 (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.
2. 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.**
3. 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.
4. 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.
5. 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.
6. 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> 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).
7. The recorded transcript of the forthcoming AGM scheduled to be held on 27<sup>th</sup> September, 2021, 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.
8. 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. 27<sup>th</sup> September, 2021. Members seeking to inspect such documents can send an email to [investor.grievance@tenneco.com](mailto:investor.grievance@tenneco.com).
9. In order to receive copies of the Annual Report 2020-2021 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 Alankit 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 [rtat@alankit.com](mailto:rtat@alankit.com).
10. 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.
11. 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.



12. 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.
13. 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.
14. The Register of Members and Share Transfer Register will remain closed from Monday, 20<sup>th</sup> September, 2021 to Monday, 27<sup>th</sup> September, 2021 (both days inclusive).
15. The Directors' Report, Auditors' Report, Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2021 are annexed herewith.
16. 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.
17. 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 and January 13, 2021 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 [investor.grievance@tenneco.com](mailto:investor.grievance@tenneco.com), Tel. No.: +91 124 4784530.
18. The remote e-voting period commences on 24<sup>th</sup> September, 2021, Friday (9:00 AM) and ends on 26<sup>th</sup> September, 2021, Sunday(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. 17<sup>th</sup> September, 2021, Friday 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. 17<sup>th</sup> September, 2021 may obtain the login ID and password by sending an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investor.grievance@tenneco.com](mailto:investor.grievance@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.
19. The Board vide its Resolution passed on 28<sup>th</sup> June, 2021 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.
20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in 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 24th September, 2021 (Friday) at 09:00 A.M. and ends on 26th September, 2021 (Sunday) 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. 17<sup>th</sup> September, 2021 (Friday), 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 17<sup>th</sup> September, 2021.

**How do I vote electronically using NSDL e-Voting system?**


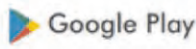


*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**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.nsdl.com">https://eservices.nsdl.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 ‘<b>IDeAS</b>’ 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 e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.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.nsdl.com/">https://www.evoting.nsdl.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> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: right;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> </div> |



| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in demat mode with CDSL                                     | <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> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | 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 & voting during the meeting.  |

**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  |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | 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              |
| Individual Shareholders holding securities in demat mode with CDSL | 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 |



**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<br>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<br>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<br>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 [shruti.bhardwaj@tenneco.com](mailto:shruti.bhardwaj@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-Emarald Hills Floor-138,  
Sec.-65 Urban Estate, Golf Course Extn. Road,  
Gurugram-122101

Date : 28<sup>th</sup> June 2021  
Place : Gurugram



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

### Item No. 04

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 2021-22 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 2021-22 as set out in Item No. 4 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.4 as an Ordinary Resolution.

### Item No. 05

In the meeting of Board of Directors held on 11th February, 2021, Dr. Khalid Iqbal Khan (05253556), was re-appointed as Whole-time Director - Legal & Company Secretary of the Company. Dr. Khalid Khan, aged 52 years, is a Company Secretary from the Institute of Company Secretaries of India, Chartered Secretary from the Institute of Chartered Secretaries and Administrators, UK and a Law graduate. He is also a PhD in Corporate Governance. Dr. Khan has 29 years of rich experience at senior level positions in the field of legal & corporate affairs. He has also undergone\* Mahler Leadership Course. Dr. Khan has been associated with the Company since November, 2009. Prior to joining the Company, he was Company Secretary of Goodyear India Limited. Save and except Dr. Khan 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. 5. Dr. Khan 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 Dr. Khalid Iqbal Khan are available for inspection by members at the Registered Office of the Company. The Board considers that his continued association would be of immense benefit to the Company. Accordingly the Board recommends re-appointment of Dr. Khan, as Director liable to retire by rotation and propose to pass the resolution set out in Item no. 5 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 : 28<sup>th</sup> June 2021  
Place : Gurugram**



## THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE ACT

### I. General Information

|  |  |
|--|--|
| 1. Nature of Industry  | Manufacturer of automobile components  |
| 2. Date or expected date of commencement of commercial production  | Not applicable as the Company is in Commercial production.   |
| 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable.  |
| 4. Financial performance based on given indicators   | As per the Annual Report   |
| 5. Foreign investments or collaborations, if any.  | Federal-Mogul Holdings Limited (Promoter) and Federal-Mogul Vermögensverwaltungs-GMBH (Promoter), holds 60.05% and 14.93%, respectively, of the paid-up equity share capital of the Company. |

### II. Information about the appointee:

|  |   |
|--|---|
| 1. Background details, Recognition/ awards   | As mentioned in explanatory statement.  |
| 2. Past Remuneration   | Rs. 88,26,748/- p.a. as on 31 <sup>st</sup> March 2020  |
| 3. Job profile and his suitability   | <p>Dr. Khalid Iqbal Khan is taking care of the legal and corporate affair functions of the Company as Whole-time Directors -Legal and Company Secretary. Dr. Khan has been associated with the Company since November, 2009. He has approximately 29 years of rich experience at senior level positions in the field of legal and corporate affairs.</p> <p>Considering his vast experience, the Board considered him the most suitable candidate for appointment/re-appointment as a Whole-time Director-Legal and Company Secretary of the Company.</p> |
| 4. Remuneration proposed   | As per the details given in Item 5.   |
| 5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | The proposed remuneration is in tune with the current remuneration packages of similar managerial personnel of Companies belonging to the similar industry, size and with effective capital comparative to the Company. Further, it is commensurate with the qualification & experience of the appointee and in accordance with the highly competitive business scenario requiring recognition & reward of performance & achievement for retention of the best talent and motivation towards meeting the objectives of the Company.                       |
| 6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.  | Only to the extent of his entitlement to the remuneration as a managerial personnel.  |



### III. Other information

1. Reasons of loss or inadequate profits

The Company has an Operating profit before finance charges, depreciation and exceptional item of INR 12,532.32 Lakhs.

In view of unfavorable 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. on May 13, 2021, the Company has created a provision of Rs. 42.75 Crores, which is appearing as an exceptional item in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2021.

Irrespective of the heads under which the provision as mentioned above appear or their nomenclature/ heading/ title/ narration, etc., such provisions do not make the Company liable for payment since liability is disputed as Company has filed a review petition against the said Order before the Hon'ble Supreme Court.

2. Steps taken or proposed to be taken for improvement

The Company has been making all round efforts to reduce cost. Every component of cost is minutely reviewed.

The Company endeavors to revitalize in near future as consumers regain confidence and vehicle demand increases.

The Management expects positive growth in Indian automobile industry during the year 2021-22.

3. Expected increase in productivity and profits in measurable terms.

The performance of the auto industry is linked to the automobile and the transport sectors. The growth of these sectors is dependent on the performance of the economy. Considering the measures taken/planned by the Central Government to boost the economy as well as various steps taken by your Company and further plans and strategies drawn, the Company is expected to improve its performance.



**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>   | 55 Years  |
| <b>Expertise in specific functional areas</b>                              | <p>Mr. Vinod Kumar Hans has 34 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.</p> <p>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.</p>  |
| <b>Qualifications</b>  | <p>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.</p>   |
| <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 Anand Bearings India Limited</li> <li>3. Federal-Mogul TPR (India) Limited</li> <li>4. Federal-Mogul Anand 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 Anand Bearings India Limited</b> <ul style="list-style-type: none"> <li>- Audit Committee, Chairman</li> <li>- Nomination &amp; Remuneration Committee, Chairman</li> <li>- Stakeholders' Relationship Committee, Chairman</li> <li>- Corporate Social Responsibility Committee, Chairman</li> </ul> </li> <li>3. <b>Federal-Mogul TPR (India) Limited</b> <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee, Chairman</li> </ul> </li> <li>4. <b>Federal-Mogul Anand Sealings India Limited</b> <ul style="list-style-type: none"> <li>- Stakeholders' Relationship Committee, Chairman</li> <li>- Share Transfer Committee, Chairman</li> </ul> </li> </ol> |
| <b>No. of Board meetings attended during the year</b>                      | <b>04</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. Rajesh Sinha</b>  |
| <b>Original Date of Appointment</b>  | 01 January, 2016   |
| <b>Age</b>   | 52 Years   |
| <b>Expertise in specific functional areas</b>                              | Mr. Rajesh Sinha has over 25 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.<br>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>                      | 04   |
| <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>Dr. Khalid Iqbal Khan</b>   |
| <b>Original Date of Appointment</b>  | 22 <sup>nd</sup> May 2015  |
| <b>Age</b>   | 52 yrs.  |
| <b>Expertise in specific functional areas</b>                              | Dr. Khalid Iqbal Khan has approximately 29 years of rich experience at senior level positions in the field of legal and corporate affairs. He has also undergone Mahler Leadership Course.<br><br>Dr. Khan has been associated with the Company since November, 2009 and presently holding the position of Whole-time Director- Legal & Company Secretary. Prior to joining the Company, he was Company Secretary of Goodyear India Limited. |
| <b>Qualifications</b>  | Company Secretary from Institute of Company Secretaries of India, Chartered Secretary from UK, Bachelor of Law and PhD in Corporate Governance.  |
| <b>Directorships held in other companies (excluding foreign companies)</b> | 1. Federal-Mogul Ignition Products India Limited<br>2. Federal-Mogul TPR (India) Limited   |
| <b>Committee position held in other companies</b>                          | 1. <b>Federal-Mogul Ignition Products India Limited</b><br>- Audit Committee, Member<br>- Nomination & Remuneration Committee, Chairman<br>- Corporate Social Responsibility Committee, Member<br>2. <b>Federal-Mogul TPR (India) Limited</b><br>- Corporate Social Responsibility Committee, Member   |
| <b>No. of Board meetings attended during the year</b>                      | 04   |
| <b>No. of shares held</b>  | 5 Equity Shares  |

**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 : 28<sup>th</sup> June 2021  
Place : Gurugram**



## DIRECTORS' REPORT

Your Directors are pleased to present the 66th Annual Report and Audited Financial Statement of Accounts for the financial year ending 31<sup>st</sup> March, 2021.

### Financial Results

(Rs. In Lakhs\*)

| Particulars   | 1 <sup>st</sup> April 2020 to<br>31 <sup>st</sup> March 2021 | 1 <sup>st</sup> April 2019 to<br>31 <sup>st</sup> March 2020 |
|---|--|--|
| Income from Operations  | 108,685.54   | 106,639.22   |
| Other income  | 2,371.05   | 2,476.05   |
| <b>Total Income</b>   | <b>111,056.59</b>  | <b>109,115.27</b>  |
| <b>Operating profit before finance charges, depreciation and exceptional item</b> | <b>12,532.32</b>   | <b>12,654.72</b>   |
| Finance Charges   | 242.22   | 482.00   |
| Depreciation  | 7,958.60   | 8,862.75   |
| Exceptional items   | 4,275.00   | -  |
| <b>Net Profit before tax</b>  | <b>56.50</b>   | <b>3,309.97</b>  |
| Provision for the Taxation:   |  |  |
| Current Tax   | 1,454.56   | 1,242.33   |
| Less: Deferred Tax  | (1,474.68)   | (916.02)   |
| <b>Profit after tax</b>   | <b>76.62</b>   | <b>2,983.66</b>  |
| Other comprehensive income (net of taxes)   | 243.14   | (912.04)   |
| <b>Total Comprehensive income</b>   | <b>319.76</b>  | <b>2,071.63</b>  |
| Profit brought forward from last year   | 42,041.89  | 39,970.26  |
| <b>Surplus / (loss) carried forward to Balance sheet</b>                          | <b>42,361.65</b>   | <b>42,041.88</b>   |

### OPERATIONS

During the financial year, the Gross sale of the Company was Rs. 108,685.54 lakhs as against Rs. 106,639.22 lakhs for the financial year ended 31<sup>st</sup> March 2020. The Total income of the Company was Rs. 111,056.59 lakhs as against Rs. 109,115.27 lakhs for the financial year ended 31<sup>st</sup> March 2020.

During the year under review, the Company made a net profit after tax of Rs. 319.76 lakhs as against the net profit after tax of Rs. 2,071.63 lakhs for the financial year ended 31<sup>st</sup> March 2020.

No amount is proposed to be transferred to general reserves. An amount of Rs. 319.76 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, 2021.

### NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

The 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 2021 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March 2021;

(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:

1. Post closure of the Tendering period/Open offer, one of the members of the promoter group of the Company

i.e. IEH FMGI Holdings LLC held 12,145,391 Equity shares of the Company (i.e. 21.83%).

Vide three separate Notices for 'Offer for Sale', IEH FMGI Holdings LLC divested 1,10,84,844 Equity shares (i.e. 19.93%) and as on 31<sup>st</sup> March, 2021, the promoter alongwith the promoter group held 5,28,00,298 Equity shares (i.e. 94.91%).

Vide Notice for 'Offer for Sale' dated 23<sup>rd</sup> 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.

2. 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 Management of your Company has since filed a Review Petition before the Hon'ble Supreme Court of India [Refer Note No. 37(b) to the financial statement].

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**

During the Financial Year ended 31<sup>st</sup> March, 2021; no Loan, Investment and Guarantee u/s 186 of the Companies Act, 2013 was made by the Company.

### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the financial year 2020-2021, 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 2020-2021, 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 33 (3)(g) 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.

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 that 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.

### **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 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.federalmogulgoetze\\_india.net/web/index.html](http://www.federalmogulgoetze_india.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 atleast 2% of the average profits of the company during the previous 3 financial years on CSR activities. Therefore, the Company has incurred the total allocated budget of Rs. 198.17 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 2020-21 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. 110.60 lakhs for spending on CSR activities during the financial year 2021-22.

#### **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. Vinod Kumar Hans and Mr. Rajesh Sinha are retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Dr. Khalid Iqbal Khan was re-appointed as Whole-time Director – Legal & Company Secretary for a further period of three years.

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 have been explained in its Board Report, which forms part of annual report.

### **PUBLIC DEPOSITS**

As at 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March 2021. 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.

### **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. The Indian auto component industry has been navigating through a period of challenges.

During the financial year 2020-21, the industry produced a total 22,652,108 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycle as against 26,362,282 in April-March 2020, registering a de-growth of (-14) percent over the same period last year.

The domestic sale of Passenger Vehicles decline by 2.2 percent in April-March 2021 over the same period last year. The overall Commercial Vehicles segment decline by 20.8 percent in April-March 2021 as compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) decline by 28.4 percent and Light Commercial Vehicles decline by 17.3 percent in April-March 2021 over the same period last year.

Three Wheelers domestic sales decline by 66.1 percent in April- March 2021 over the same period last year. Within the Three Wheelers, Passenger Carrier & Goods Carrier sales decline by 74.5 percent and 26.4 percent respectively in April-March 2021 over April-March 2020.

Two Wheelers domestic sales registered de-growth at 13.2 percent in April-March 2021 over April-March 2020. Within the Two Wheelers segment, Scooters declined by (-) 19.5 and Motorcycles decline by 10.6 percent, while Mopeds decline by 3.1 percent in April-March 2021 over April-March 2020.

In April-March 2021, overall automobile exports de-growth by 13.1 percent. Two Wheelers Segments sales decline by 6.9 percent and Three wheelers decline by 21.7 percent, while Passenger Vehicles decline 38.9 percent and Commercial Vehicles decline by 16.6 percent in April-March 2021 over the same period last year.

A structural slowdown in the industry even before the pandemic, combined with the impact of COVID-19 in 2020-21, Fiscal year 2020-21 was an unprecedented



year full of COVID-led challenges, but the industry showed great resilience and made considerable recovery during the unlock phase and prefer personal mobility, pent-up demand and fill up of dealer network inventory of BSVI vehicles made recovery in second half of year. Further, global shortage of semiconductor chips affecting the auto industry parts supply chain.

### **(b) Opportunities and Threats**

The parent company continues to support the Company with its technical 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 BS VI, adoption of electric vehicles, safety rules 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, that is, the automobile manufacturers. Competition is intense, as we compete with suppliers both in the organized and unorganized segments. Technical edge, specialization, innovation and networking will determine the success of the Company in this competitive environment. Further, the policies of the Government play a key 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 2021 | 31 <sup>st</sup> March 2020 |
| Pistons, Piston rings and pistons pins | 93,040.22                   | 91,883.61                   |
| Valve train and Structural components  | 12,721.78                   | 11,614.69                   |

### **(d) Outlook**

The automobile sector continues to be cautious, while 2021 started on an optimistic note, the second wave of the pandemic casts a shadow on recovery speed during first quarter of FY22, The auto sector is expected to bounce back but the pace could be slower compared with the previous year as the infection spread has penetrated deeply in rural market and immediate buying might not be seen. The recovery in vehicle production is set to be gradual and not necessarily linear. The Management expects positive growth in Indian automobile industry during the year 2021-22.

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. Focus of the Government on the investment in infrastructure sector and low interest rates and under discussion incentive based vehicle scrappage policy are expected to give boost to the automobile sector. However, continue rise on raw material prices of steel, aluminum, copper and precious metals and increasing fuel prices are likely to impact the growth of the automobile sector. Therefore, it's going to be a mixed year for the auto component

industry ahead.

The Company will endeavor to revitalize in near future as consumers regain confidence and vehicle demand increases. To remain competitive in the challenging and demanding environment, the benchmark has to be 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:** Significant deterioration in 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 is likely to adversely impact the auto industry in the medium and short-term.

**Raw material prices:** Our profitability and cost effectiveness may be affected due to change 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 2020-21 | FY 2019-20 | Explanation to significant change wherever applicable                      |
|--------------------------------|------------|------------|--|
| Debtors Turnover               | 4.93       | 5.17       | -  |
| Inventory Turnover             | 6.07       | 5.45       | Better production planning improved inventory holding period.              |
| Interest Coverage Ratio        | 2.57       | 7.52       | Low Volume/mix during the year, due to Auto sector slow down.              |
| Current Ratio                  | 1.83       | 1.90       | -  |
| Debt Equity Ratio              | -          | -          | -  |
| Operating Profit Margin (%)    | 0.56       | 2.21       | Due to lower business volume and mix impacted the profits during the year. |
| Net Profit Margin (%)          | (0.29)     | 1.90       | Due to lower business volume and one off impacting profitability.          |
| Fixed assets turnover ratio    | 2.11       | 2.01       | -  |
| Working capital turnover ratio | 4.56       | 5.47       | Due to lower business volumes.   |

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

| Particulars             | Standalone 2021 | Standalone 2020 | Consolidated 2021 | Consolidated 2020 |
|-------------------------|-----------------|-----------------|-------------------|-------------------|
| Return on net worth (%) | 0.50            | 2.81            | 1.27              | 3.97              |

#### **(i) Material developments in Human Resources / Industrial Relations front, including number of people employed**

With the acquisition of Federal-Mogul by Tenneco, 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. The union settlements in Bhiwadi plant concluded successfully.

Training and development has always been our priority; but due to Pandemic, most of the trainings have been online.

The total number of salaried and hourly employees (permanent) as on 31<sup>st</sup> March, 2021 stood at 3133.

#### **CONSOLIDATED ACCOUNTS**

The Consolidated Financial Statements of the Company for the financial year 2020-21, 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> AGM of the Company, M/s. Walker Chandio & 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 67<sup>th</sup> AGM of the Company to be held in the calendar year 2022.

The written consent to such appointment and a certificate from M/s Walker, Chandio & Co., LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013), 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.

#### **COST AUDITORS**

The Board, on the recommendation of the Audit Committee has approved the appointment of M/s. Sanjay Gupta & Associates, Cost Accountants, as Cost Auditor, for the financial year ending March 31, 2022. The Cost Auditors will submit their report for the financial year ending 31<sup>st</sup> March 2022 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 M/s. Deepika Gera, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2021.

### 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 reappointed M/s. Deepika Gera, Company Secretaries, New Delhi, as Secretarial Auditor of the Company for FY 2021-2022.

### ANNUAL SECRETARIAL COMPLIANCE REPORT

The Annual Secretarial Compliance Report for the financial year ended 31st March, 2021 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**.

### EXTRACT OF 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 2020-2021.

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 union settlements in plant of the Company located at Bhiwadi was concluded successfully during the FY 2020-21.

The total number of permanent salaried and hourly paid employees, as at March 31, 2021 stood at 3133.

### **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 equipments 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.

### **ACKNOWLEDGMENT**

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: 28<sup>th</sup> June, 2021  
Place: Gurugram



**CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021**
**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 endeavours 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, 2021, the composition and category of the Board of Directors of the Company was as follow:

| Sl. No. | Name of the Director               | Category                                      |
|---------|------------------------------------|---|
| 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:**

\* Dr. Khalid Iqbal Khan in the Board Meeting held on 11<sup>th</sup> February, 2021 was re-appointed as the Whole-time Director-Legal & Company Secretary for a further term with effect from 22<sup>nd</sup> May, 2021 subject to approval of the shareholders at this AGM;

\*\* Ms. Janice Ruskey Maiden resigned as Non-executive Director with effect from 26<sup>th</sup> June, 2020 and Mr. Stephen Shaun Merry was appointed with effect from 26<sup>th</sup> June, 2020 as Director.

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, 2020 to 31<sup>st</sup> March, 2021:**

During the FY 2020-21, four (4) Board meetings were held as follows: -

| Date of Meeting*                | Board Strength | No. of Directors Present in Person |
|---------------------------------|----------------|------------------------------------|
| 26 <sup>th</sup> June, 2020     | 10             | 10                                 |
| 25 <sup>th</sup> August, 2020   | 09             | 09                                 |
| 12 <sup>th</sup> November, 2020 | 09             | 09                                 |
| 11 <sup>th</sup> February, 2021 | 09             | 09                                 |

**Note:**

\*The Board Meetings during the year 2020-21 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. Vinod Kumar Hans, Whole Time Managing Director and Mr. Rajesh Sinha, Whole-Time Director are liable to retire by rotation in the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Dr. Khalid Iqbal Khan was re-appointed as Whole-time Director - Legal & Company Secretary of the Company in the meeting of Board of Directors held on 11<sup>th</sup> February, 2021, subject to the approval of the shareholders.

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 55 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 Cranfield UK and Cedep, University of Insead, France, respectively. Mr. Hans has 34 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 51 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 25 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) Dr. Khalid Iqbal Khan, aged about 52 years, is a Company Secretary from the Institute of Company Secretaries of India, Chartered Secretary from the Institute of Chartered Secretaries and Administrators, UK and a Law graduate. He is also a Ph.D in Corporate Governance. Dr. Khan has about 29 years of rich experience at senior level positions in the field of legal & corporate affairs. He has also undergone Mahler Leadership Course. Dr. Khan has been associated with the Company since November 2009 and presently holding the position of Whole-time Director- Legal & Company Secretary. Prior to joining the Company, he was Company Secretary of Goodyear India Limited.



**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<br>from 1st April 2020<br>to<br>31st March, 2021<br>Attendance at |                           | As on 31 <sup>st</sup> March, 2021                               |  |          |
|------------------------------------|-----------|--|---------------------------|--|--|----------|
|                                    |           |  |                           | Number of Directorships of other Indian Companies (Refer Note-1) | Committee Memberships of other Indian Companies (Refer Note-2) |          |
|                                    |           | Board Meeting (Total Meetings held-04)   | Last AGM 22nd Sept., 2020 |  | Member   | Chairman |
| Mr. Krishnamurthy Naga Subramaniam | CNEID     | 04   | Yes                       | 01   | 01   | 01       |
| Mr. Vinod Kumar Hans               | WTMD      | 04   | Yes                       | 01   | 01   | 04       |
| Dr. Khalid Iqbal Khan              | WTDL & CS | 04   | Yes                       | 01   | 02   | 00       |
| Mr. Manish Chadha                  | CFO & FD  | 04   | Yes                       | 01   | 02   | 00       |
| Mr. Rajesh Sinha                   | WTD       | 04   | Yes                       | 01   | 00   | 00       |
| Mr. Sunit Kapur                    | NED       | 04   | No                        | 01   | 02   | 00       |
| Mr. K.C. Sundareshan Pillai        | NEID      | 04   | Yes                       | 01   | 01   | 01       |
| Ms. Nalini Jolly                   | NEWID     | 04   | Yes                       | 02   | 02   | 00       |
| Mr. Stephen Shaun Merry            | NED       | 04   | 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 2021-22.

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

NEID: 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 31st March, 2021:**

| <b>Name of Director</b>            | <b>No. of Directorships in Indian Listed Companies [other than Federal-Mogul Goetze (India) Ltd.]</b> | <b>Name of listed entities</b> | <b>Category of directorship</b> |
|------------------------------------|---|--------------------------------|---------------------------------|
| 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   | ISF Limited*                   | NA                              |
| Mr. Stephen Shaun Merry            | Nil   | NA                             | NA                              |

\*Ms. Nalini Jolly held directorship in ISF Limited till 26<sup>th</sup> April, 2021.

**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 | Extensive and diversified knowledge and rich experience of Indian Automotive Industry.   |
| 2.      | Mr. Vinod Kumar Hans               | Around 34 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 29 years of rich experience at senior level positions in the field of legal and corporate affairs.  |
| 4.      | Mr. Manish Chadha                  | Over 21 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 25 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 27 years of rich experience in Manufacturing, Engineering, Projects, TPM, Operation, Supply Chain Management and General Management.  |
| 7.      | Mr. K.C. Sundareshan Pillai        | Around 34 years of rich experience in steering sales and marketing functions and technical areas with various companies.   |
| 8.      | Mr. Stephen Shaun Merry            | Around 23 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 22 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, 2020 to 31<sup>st</sup> March, 2021

| Date of Meeting                 | Strength of Committee | No. of Members Present in person |
|---------------------------------|-----------------------|----------------------------------|
| 26 <sup>th</sup> June, 2020     | 04                    | 04                               |
| 25 <sup>th</sup> August, 2020   | 04                    | 04                               |
| 12 <sup>th</sup> November, 2020 | 04                    | 04                               |
| 11 <sup>th</sup> February, 2021 | 04                    | 04                               |

#### Audit Committee Members Attendance during the financial year 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021

| Name                               | Designation in the Committee | Total Meetings held | No. of meetings Attended in person |
|------------------------------------|------------------------------|---------------------|------------------------------------|
| Mr. K.C. Sundareshan Pillai        | Chairman                     | 04                  | 04                                 |
| Mr. Krishnamurthy Naga Subramaniam | Member                       | 04                  | 04                                 |
| Mr. Sunit Kapur                    | Member                       | 04                  | 04                                 |
| Ms. Nalini Jolly                   | Member                       | 04                  | 04                                 |

## 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 1st 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) |
|--------------------------------|-----------------------|----------------------------------|--|
| 4 <sup>th</sup> November, 2021 | 03                    | 03                               | 03   |



| Name                                | Designation in the Committee | Total Meetings held | No. of meetings Attended in person |
|-------------------------------------|------------------------------|---------------------|------------------------------------|
| Mr. Vinod Kumar Hans                | Chairman                     | 01                  | 01                                 |
| Dr. Khalid Iqbal Khan               | Member                       | 01                  | 01                                 |
| Mr. Manish Chadha                   | Member                       | 01                  | 01                                 |
| Mr. Krishnamurthy Naga Subramaniam* | Member                       | 00                  | 00                                 |

\*Appointed as member w.e.f 6<sup>th</sup> May, 2021.

## 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, 2020 to 31<sup>st</sup> March, 2021**

| Date of Meeting                 | Strength of Committee | No. of Members Present in person | No. of Members Present through conference call (Meeting held through VC/ OVAM) |
|---------------------------------|-----------------------|----------------------------------|--|
| 26 <sup>th</sup> June, 2020     | 04                    | 04                               | 00   |
| 11 <sup>th</sup> February, 2021 | 04                    | 04                               | 00   |



| Name                               | Designation in the Committee | Total Meetings held | No. of meetings Attended in person |
|------------------------------------|------------------------------|---------------------|------------------------------------|
| Mr. K.C. Sundareshan Pillai        | Chairman                     | 02                  | 02                                 |
| Mr. Krishnamurthy Naga Subramaniam | Member                       | 02                  | 02                                 |
| Mr. Sunit Kapur                    | Member                       | 02                  | 02                                 |
| Ms. Nalini Jolly                   | Member                       | 02                  | 02                                 |

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

#### 6. DETAILS OF REMUNERATION TO DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

| Name of Executive Directors | Particulars                                     | Amount (in Rupees) |
|-----------------------------|---|--------------------|
| Mr. Vinod Kumar Hans        | - Salaries and Allowances                       | 11,571,990         |
|                             | - Company's Contribution to PF & Superannuation | 1,035,450          |
|                             | - Perquisites                                   | 2,550,848          |
|                             | - Management Incentive Plan                     | 6,181,243          |
|                             | <b>Total</b>                                    | <b>21,339,531</b>  |
| Mr. Rajesh Kumar Sinha      | - Salaries and Allowances                       | 7,665,250          |
|                             | - Company's Contribution to PF & Superannuation | 686,813            |
|                             | - Perquisites                                   | 150,369            |
|                             | - Management Incentive Plan                     | 2,122,253          |
|                             | <b>Total</b>                                    | <b>10,624,685</b>  |
| Mr. Manish Chadha           | - Salaries and Allowances                       | 6,715,622          |
|                             | - Company's Contribution to PF & Superannuation | 601,477            |
|                             | - Perquisites                                   | 103,826            |
|                             | - Management Incentive Plan                     | 2,042,570          |
|                             | <b>Total</b>                                    | <b>9,463,495</b>   |
| Dr. Khalid Iqbal Khan       | - Salaries and Allowances                       | 7,173,340          |
|                             | - Company's Contribution to PF & Superannuation | 397,500            |
|                             | - Perquisites                                   | 16,091             |
|                             | - Management Incentive Plan                     | 2,139,249          |
|                             | <b>Total</b>                                    | <b>9,726,180</b>   |

| Name of Non-Executive Directors    | Particulars | Amount (in Rupees) |
|------------------------------------|-------------|--------------------|
| Mr. Krishnamurthy Naga Subramaniam | Sitting Fee | 880,000            |
| Ms. Nalini Jolly                   | Sitting Fee | 540,000            |
| Mr. K.C. Sundareshan Pillai        | Sitting Fee | 920,000            |



#### 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> |
|--|--|-------------------------------------|
| 01   | 00   | 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, 2021, 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 Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- c. 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  |
|---|--|----------------------------------|--|
| 63 <sup>rd</sup> Annual General Meeting | Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038  | 20 <sup>th</sup> September 2018  | - Re-appointment of Dr. Khalid Iqbal Khan (DIN: 05253556) as Whole-Time Director- Legal & Company Secretary of the Company   |
| 64 <sup>rd</sup> Annual General Meeting | Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038  | 19 <sup>th</sup> September 2019  | - Re-Appointment of Mr. Vinod Kumar Hans (DIN : 03328309) as Whole-Time Managing Director of the Company<br>- Re-appointment of Mr. Rajesh Sinha (DIN: 07358567) as the Whole-Time Director of the Company<br>- Re-Appointment of Mr. Mahendra Kumar Goyal (DIN: 02605616) as an Independent Director of the Company<br>- Re-appointment of Mr. Manish Chadha (DIN: 07195652) as CFO & Finance Director of the Company effective from February 5, 2019 |
| 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 | - Re-appointment of Mr. Krishnamurthy Naga Subramaniam (DIN: 00041843) as Independent Director for a Second Term<br>- Re-appointment of Mr. K.C. Sundareshan Pillai (DIN: 06846949) as Independent Director for a Second Term  |

**Postal Ballot:** No resolution has been passed as special resolution through postal ballot during the financial year ended 31<sup>st</sup> March 2021. 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>  | 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.<br><br>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. |
| <b>Whether presentations were made to Institutional Investors or to the analysts?</b> | Yes, the Company held Investors' /Analysts' Call on 20 <sup>th</sup> November, 2020 and 18 <sup>th</sup> February, 2021 during the financial year ended 31 <sup>st</sup> March, 2021.   |



## 11. GENERAL SHAREHOLDER INFORMATION

|  |  |
|--|--|
| <p>a. 66<sup>th</sup> Annual General Meeting:</p> <ul style="list-style-type: none"> <li>- Date and Time</li> <li>- Mode/Venue</li> </ul>  | <p>27<sup>th</sup> September, 2021 at 11:00 A.M.</p> <p>Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)</p> <p>Company's Registered Office i.e. DLF Prime Towers, 10 Ground Floor, F-79 &amp; 80, Okhla Phase - I, New Delhi – 110020 will be deemed to be the Venue for the purpose of this Annual General Meeting.</p>        |
| <p>b. Financial Year</p>   | <p>Commencing from 01<sup>st</sup> April and ending on 31<sup>st</sup> March.</p>  |
| <p>c. Financial Calendar (Tentative)</p> <ul style="list-style-type: none"> <li>- Results for the quarter ending June 30, 2020</li> <li>- Results for the quarter/half year ending September 30, 2020</li> <li>- Results for the quarter/period ending December 31, 2020</li> <li>- Results for the quarter/year ending March 31, 2021</li> <li>- Annual General Meeting for the financial year ending March 31, 2021</li> </ul> | <p>Second week of September 2021</p> <p>Second week of December 2021</p> <p>Second week of February 2022</p> <p>Last week of May 2022</p> <p>27<sup>th</sup> September, 2021</p>   |
| <p>d. Book Closure date</p>  | <p>21<sup>st</sup> September, 2021 to 27<sup>th</sup> September, 2021 (both days inclusive)</p>  |
| <p>e. Listing on Stock Exchanges</p>   | <ul style="list-style-type: none"> <li>- <b>BSE Limited</b><br/>Phiroze JeeJee Bhoy Towers,<br/>Dalal Street, Mumbai-400001</li> <li>- <b>The National Stock Exchange of India Ltd.</b><br/>Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G Block,<br/>Bandra-Kurla Complex, Bandra (East), Mumbai 400051<br/><b>(See Note)</b></li> </ul> |
| <p>f. Stock Code</p> <p>ISIN No.- NSDL</p> <p>- CDSL</p>   | <p>BSE Limited – 505744</p> <p>National Stock Exchange - FMGOETZE</p> <p>INE 529A01010</p> <p>INE 529A01010</p>  |

Note: Listing Fees for the year 2020-2021 and 2021-22 has been paid 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.



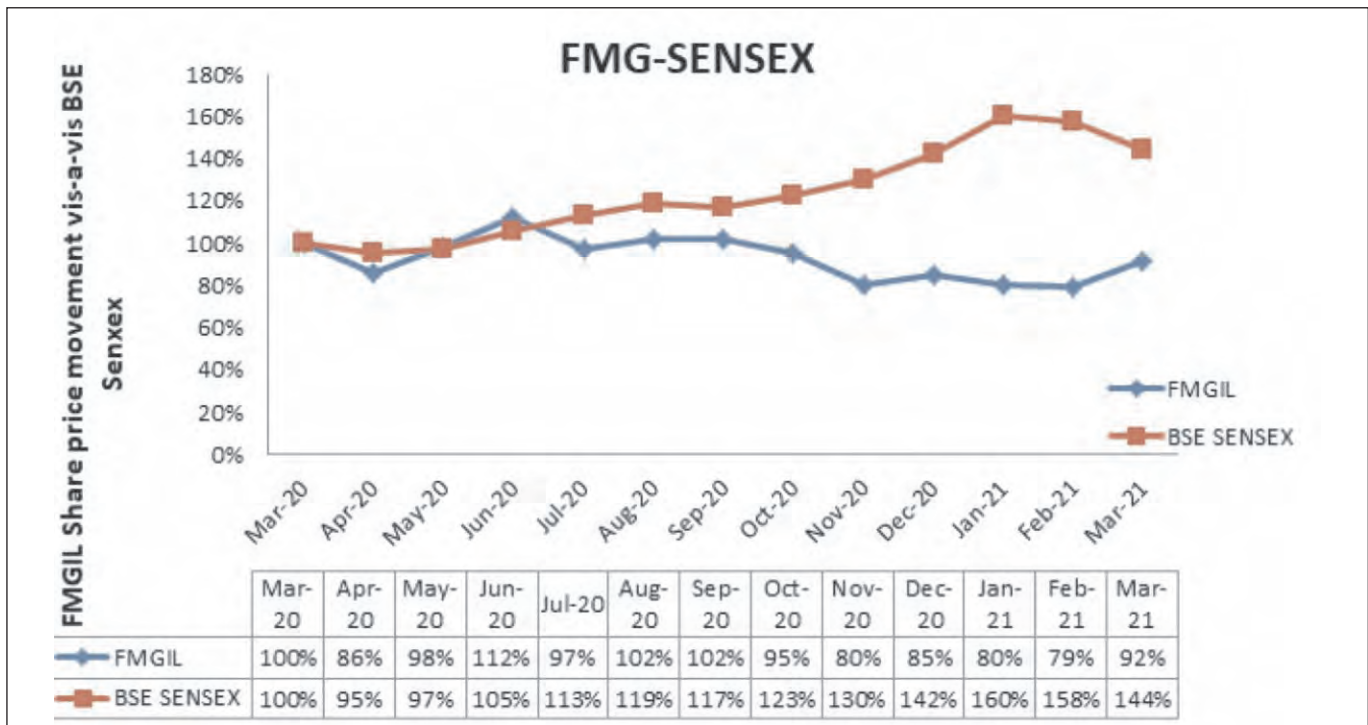
#### g. Stock Market Data\*

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-20 | 370.45   | 285.10 | 33,887.25 | 27,500.59 | 379.00   | 291.10 | 9,889.05  | 8,055.80  |
| May-20 | 409.20   | 336.05 | 32,845.48 | 29,968.45 | 405.75   | 332.05 | 9,598.85  | 8,806.75  |
| Jun-20 | 472.00   | 385.05 | 35,706.55 | 32,348.10 | 464.80   | 374.50 | 10,553.15 | 9,544.35  |
| Jul-20 | 398.65   | 342.00 | 38,617.03 | 34,927.20 | 400.00   | 341.00 | 11,341.40 | 10,299.60 |
| Aug-20 | 431.00   | 343.00 | 40,010.17 | 36,911.23 | 438.00   | 343.75 | 11,794.25 | 10,882.25 |
| Sep-20 | 436.80   | 340.80 | 39,359.51 | 36,495.98 | 435.05   | 340.10 | 11,618.10 | 10,790.20 |
| Oct-20 | 470.00   | 254.60 | 41,048.05 | 38,410.20 | 465.00   | 254.65 | 12,025.45 | 11,347.05 |
| Nov-20 | 334.25   | 247.85 | 44,825.37 | 39,334.92 | 334.10   | 246.10 | 13,145.85 | 11,557.40 |
| Dec-20 | 353.75   | 294.15 | 47,896.97 | 44,118.10 | 354.00   | 293.00 | 14,024.85 | 12,962.80 |
| Jan-21 | 323.50   | 288.00 | 50,184.01 | 46,160.46 | 321.40   | 288.05 | 14,753.55 | 13,596.75 |
| Feb-21 | 321.85   | 279.00 | 52,516.76 | 46,433.65 | 322.00   | 278.00 | 15,431.75 | 13,661.75 |
| Mar-21 | 320.00   | 280.10 | 51,821.84 | 48,236.35 | 317.80   | 276.10 | 15,336.30 | 14,264.40 |

\* Source : [www.bseindia.com](http://www.bseindia.com); [www.nseindia.com](http://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 BSE Sensex average monthly price considering March 2020 as base month



## i. Share Transfer System

Alankit Assignments Limited, RTA Division, 'Alankit Heights' 3E/7, 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, 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 32 times during the financial year 2020-21 for approving transfers, transmission etc.
- Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate for the half year ended 30<sup>th</sup> September, 2020 and 31<sup>st</sup> March, 2021, 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 half year ended 30<sup>th</sup> September, 2020 and 31<sup>st</sup> March, 2021, 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 31/03/2021

### A] On the basis of shares held

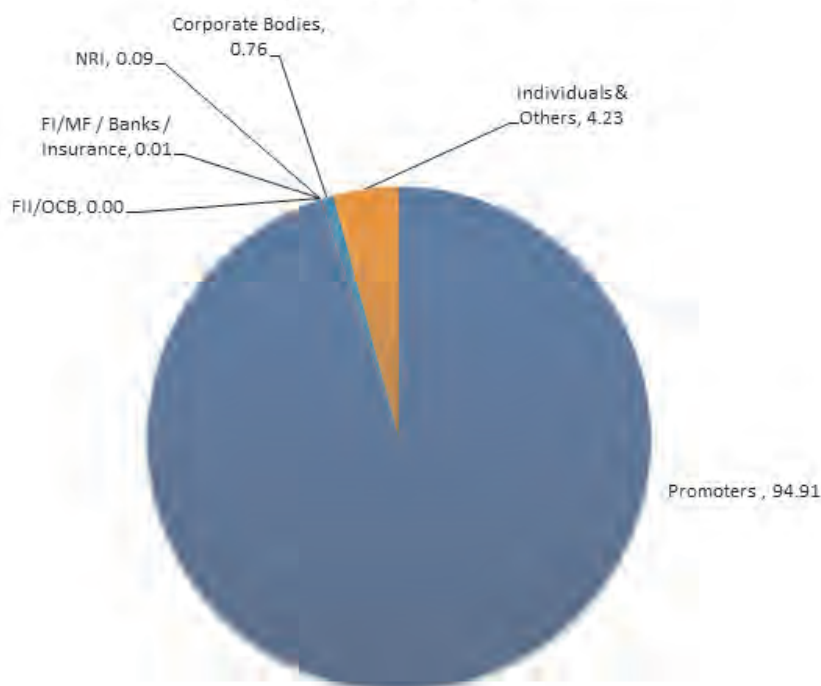
| No. of shares | No. of share holders | Percentage to total Shareholders | No. of shares held | Percentage to total shares held |
|---------------|----------------------|----------------------------------|--------------------|---------------------------------|
| Upto 5000     | 18502                | 99.8273                          | 2306984            | 4.1469                          |
| 5001 – 10000  | 17                   | 0.0917                           | 124719             | 0.2242                          |
| 10001 – 20000 | 7                    | 0.0378                           | 89055              | 0.1601                          |
| 20001 – 30000 | 0                    | 0                                | 0                  | 0.00                            |
| 30001 – 40000 | 2                    | 0.0108                           | 73595              | 0.1323                          |
| 40001 – 50000 | 0                    | 0                                | 0                  | 0.00                            |
| 50001 -100000 | 3                    | 0.0162                           | 237479             | 0.4269                          |
| Above 100000  | 3                    | 0.0162                           | 52800298           | 94.9097                         |
| <b>TOTAL</b>  | <b>18534</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   | 18543                | 95.83                            | 2240588            | 4.03                            |
| Corporate Bodies  | 159                  | 0.82                             | 424490             | 0.76                            |
| Financial Institutions /Mutual Funds/ Banks/Insurance Companies | 6                    | 0.03                             | 2942               | 0.01                            |
| Non-resident Indians  | 225                  | 1.16                             | 50876              | 0.09                            |
| Foreign Institutional Investors/ Overseas Corporate Bodies      | 3                    | 0.02                             | 1050               | 0.00                            |
| Promoters and Promoter Group (Non-resident Company)             | 3                    | 0.02                             | 52800298           | 94.91                           |
| Others  | 409                  | 2.12                             | 111886             | 0.20                            |
| <b>TOTAL</b>  | <b>19348</b>         | <b>100</b>                       | <b>55632130</b>    | <b>100</b>                      |



**Distribution of Shares of Federal- Mogul Goetze (India) Limited  
(As on 31/03/2021)**



**k. Dematerialization of shares and Liquidity**

As on 31<sup>st</sup> March 2021, 99.29% 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: investor.grievance@tenneco.com  
Website: [www.federalmogulgoetzeindia.net](http://www.federalmogulgoetzeindia.net)



**p. Registrar and Share Transfer Agent**

Alankit Assignments Limited  
 'Alankit Heights'  
 3E/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 :** Ms. Shruti Bhardwaj

E-mail ID: [shruti.bhardwaj@tenneco.com](mailto:shruti.bhardwaj@tenneco.com)  
 Address : 10<sup>th</sup> floor, Paras Twin Towers, Tower-B,  
 Golf Course Road, Sector-54, Gurugram-122002

**10. LIST OF CREDIT RATING (alongwith any revisions thereto during the financial year 2020-21, 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<br>(Single A Plus; Outlook: Stable) |
| Short term Bank Facilities | CARE A1 +<br>(A One Plus)                           |

**13. DISCLOSURES**

|  |   |
|--|---|
| • 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 | 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 2021. |
| • Details of number of Shares & Convertible Instruments held by Non-Executive Directors  | As on date, no Non-Executive Directors holds any share in the company.  |
| • 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.  | None.   |
| • Details of establishment of Vigil mechanism/ Whistle blower policy, and affirmation that no personnel have been denied access to the Audit Committee.  | 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.   |



- Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements

As on date, the Company is in full compliance with the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Further, following Non-mandatory requirements are also adopted by the Company:

- 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.
- Separate posts of Chairman and CEO: The Company has appointed Non-Executive Independent Directors as Chairman.
- Reporting of Internal Auditors: The internal auditors report to the Audit Committee directly.

- Details of Familiarization programme for Independent Directors

<http://federalmogulgoetzeindia.net/web/index.html>

- Policy on Related Party Transaction

<http://federalmogulgoetzeindia.net/web/index.html>

- Policy for determining 'material' subsidiaries

<http://federalmogulgoetzeindia.net/web/index.html>

- Disclosure on Commodity price risks or Foreign Exchange risk and hedging activities

Not Applicable

- Prevention of insider trading

During the year, the Company has amended the Code of Conduct for Prevention of Insider Trading and Policy on Fair Disclosure of Unpublished Price Sensitive Information in line with SEBI (Prohibition of Insider Trading)(Amendment) Regulations, 2018. The key changes include, inter alia, change in definition of designated persons, maintenance of digital database, internal controls, and policy and procedure for inquiry in case of leak of Unpublished Price Sensitive Information.

The policy is also available on the website ([www.federalmogulgoetzeindia.net](http://www.federalmogulgoetzeindia.net)) of the Company.

## 12. 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 2020-21  |              |
|---------|---------------------|-------------|--------------|
|         |                     | Standalone  | Consolidated |
| 1.      | Statutory Audit Fee | 25.00       | 31.25        |
| 2.      | Limited Reviews     | 27.00       | 27.00        |
| 3.      | Tax Audit Fee       | 2.5         | 3.5          |
|         | <b>Total:</b>       | <b>54.5</b> | <b>61.75</b> |





**13.** 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 31st March, 2021 is in compliance with the requirements of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

#### **14. 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: 28<sup>th</sup> June, 2021



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. Due to prevailing circumstance of COVID-19, 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.

**For DEEPIKA GERA, COMPANY SECRETARIES**

Sd/-

**DEEPIKA GERA**

**FCS No. 3531**

**C P No: 7487**

**UDIN NO.: F003531C000443047**

**Place : NEW DELHI**

**Date:10-06-2021**





## **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, 2021.

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: 28<sup>th</sup> June, 2021



## Features of Nomination and Remuneration Policy of The Company

## ANNEXURE-2

- 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  
FMGIL**

**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;
- Replacement of higher capacity motors and devices drawing higher energy with latest higher energy efficient motors;
- The facility is upgraded to the latest technology of LED lighting system;
- Energy Efficient Compressors are in use;
- Reduction of load on compressors by placing Compressed Air Energy Efficient Nozzles at the manufacturing operations;
- Upgradation of Electrical panels and improvement of Power Factor for Plating Baths;
- Usage of Natural Lighting by Installation of Sky lamps at Roofing;
- Overall improvement of Power factor by adding capacitor banks( Target of 0.99);
- The machines sent for refurbishment are 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;
- Conservation of energy by installing thyristor drivers in Heat treatment furnaces;
- Adequate planning of production to be in line with the specific power consumption required for generation of product;
- Upgradation of Energy Efficient induction/Holding furnaces for melting activities;
- Energy saving logics are introduced in machines, which switches off the hydraulics or the machines during the idle times;
- Installation of Variable Frequency Drives on higher capacity motors to reduce energy;
- Re-laying out of the machines to isolate the usage of dedusting units consuming high energy and isolation of such devices;
- Adequate maintenance to avoid leaks of compressed air;
- Temperature cutoff to all the Plating Baths to avoid overheating and consumption of electricity;
- Installation of Energy efficient electrical appliances like AC's, Fan, Coolers, Chillars, AHU, etc.;
- Steps taken for arresting the leakages in Compressed airlines and additional installation of isolation valves;
- Upgradation of substation incoming transformer to reduce internal loss;
- Capacity study & replacement of suitable energy efficient motors as per process suitability to reduce power consumption.
- Thyristors installed on sintering furnace # 1 and 2;
- Reduction in electricity consumption through Oil cooling pumps on EP70T and EP100T controlled by thermostat;
- Activation of power saving mode on 10 CNC turning machines.
- Continuous maintenance of Plant power factor- Unity(PF= 1) to save electricity and reduction in losses thereof;
- One Dedusting unit in Ring machine shop removed & Optimization of Dedusting unit done;
- 50 % energy saving by using Cyclic timer for On/Off Motors in RMS;
- Regular Energy Audit, daily monitoring of energy, power factor and controlling to save energy;
- Installation of Variable Frequency Drives on dedusting units.
- Installation of Auto on-off Fan controller on cooling towers;
- Replacement of old high rating motors with energy efficient motors;
- Replacement of old AC with Five star rating AC;
- Installation of LED lights in place of overhead, Fluorescent ,CFL lights;
- Replacement of old MS compressed air pipes in Distribution Header with energy efficient Aluminum pipes to reduce pressure drop and leakages in Ring fdy. and Ring Machine Shop;



- Installation of separate compressed air aluminum pipe line with Flow meter for Piston and Ring in order to monitor and improve compressed air usage;
- Modification in compressed air distribution lines with separate valves for each working area to reduce pressure drop and thereby to save energy;
- Office infrastructure is modified and improved to provide windows in offices to use day light and reduce light usage in day time;
- Replacement of old oil circuit breakers with Vacuum Circuit breakers thus resulting in reduction in losses;
- Switching off lights / fans / Motors/ compressors during interval time;
- Regular audits of compressed air leakages points, implementation and monitoring;
- Electrical Power system improvement which results in reduction in breakdown and less working of DG resulting in saving of HSD cost;
- Initiative taken to install Energy efficient pumps;
- Optimal utilization of power by automation of Sand Plant;
- KV-1 Ring side Heat treatment – one cooling tower dismantled and presently one cooling tower is being utilized optimally;
- Replacement of three phase blowers with single phase fans for piston air quenching;
- VFD installed on Dedusting blower unit for melting Section, for speed control of RDU shaft motor, Cutter motor;
- Replacement of centralized AC system in Ring PPC & Design area with 2 T 5 star ACs by merging both;
- Aluminum work initiated to improve office infrastructure and to reduce no. of working ACs by merging offices;
- 7.5 kw motor pumps replaced with 4 kw pump motor in P. Fdy.

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

- Use of Wheeling Energy (Wind/Hydro/Solar Energy) to reduce GHG gases;
- Shift from usage of PNG gas from traditional LPG;
- Maximum usage of natural roof Lighting in the shopfloor.
- HSD Furnaces converted on PNG.
- 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.

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

**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) 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, the Company successfully applied the following Tenneco Global technology:

**Piston and Piston Pin:**

- Design and Application Engineers trained in new product design and engineering technology i.e., D-Lite and Elasto oval – II piston design
- Low friction Coatings like AV19 & AV21 for pistons
- High strength Material 'G91' productionized for high rated diesel engines pistons
- Dura-Bowl (Bowl edge Re-melting) introduced for diesel engine pistons to improve the durability
- Brass bush for the pin bore in a highly loaded piston
- Piston Pin with DLC coating for friction reduction
- Introduction of Gallery cooled piston for Petrol Engines.



- Weight optimized forged pistons for higher displacement motorcycle engines (Premium segment)
- Upgraded the FEA tools in Piston Secondary Motion (Pisdyn) and Optimization of Piston Architecture with F-M Shape.
- Continued the use of Magma Simulation in Piston foundry technology

#### **Piston Rings:**

- Low axial height Napier ring with cast iron material
- Low axial height LKZ® Oil ring
- Implementation of PRiME 3D® Software for ring motion simulation and prediction of blow-by
- GDC60® Coating successfully productionized
- Training of engineers both in product and process design from the global team
- The Company has successfully absorbed the technology for the manufacture of piston assembly conforming to BS VI standards for Gasoline/Diesel/CNG applications.
- Running of Napier rings on CNC ADA and CKS rings category for existing customers.
- Development of low weight thin section forge pistons for motor bike applications.
- Implementation of High Strength Alloys (G91) for diesel pistons.
- Started Pisdyn analysis for secondary motion analysis.
- Introduction of PRiME 3D® analysis for piston ring design optimisation
- Numerical analysis simulation started for material forming of forge pistons.
- Implementation of premium friction coatings (AV15, AV21 & AV19) for diesel & gasoline pistons
- Low wall thickness casting manufacturing purging with Argon gas.
- X-ray machine installation to verify the internal casting defects.
- Eddy current machine installed for checking the pin material defect.
- Skirt Pattern coating developed for low friction.
- Circlip mounting machine installed for passenger car application.
- Vision camera system installed for pattern coating verification.
- Semi Multi gauging machine installed for passenger car applications.
- Piston conrod assembly machine installed for Maruti application.
- Development of Piston with raised gallery.

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

- Piston and rings were developed for BS6 Engines, ensures better durability. To improve the durability, the new piston material G91, piston pin bore with bush fitting, Dura-bowl technologies were introduced successfully;
- Piston architecture / technology of D-Lite helped to optimise the weight while ensuring durability / performance;
- Successfully developed and implemented AV19/AV21 Coating for Low Friction;
- Reduced tolerances design introduced in mass production for the BS6 engines;
- GDC60® coating introduced to enhance durability;
- Low axial height rings introduced to reduce the friction and oil consumption;
- FE Analysis is done for all new programs with aim of FTR design at the prototype stage;
- FM Power is introduced for generating thermal boundary conditions;
- Implementation of shape optimization for piston architecture;
- Magma Casting Simulation helped in reduction of foundry scrap;
- Pisdyn implementation helped in reduction of friction and wear in piston;
- Development of DLC coated pins helped to reduce friction;
- Introduction of new product 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)-**

| <b>Details of Technology imported</b>   | <b>Year of Import</b> | <b>Technology absorption status</b> |
|---|-----------------------|-------------------------------------|
| GDC 60®   | 2018                  | Implemented                         |
| Dura Bowl   | 2019                  | Implemented                         |
| Piston with bush fitting  | 2019                  | Implemented                         |
| G91 Alloy   | 2020                  | Implemented                         |
| Ell Piston casting cell   | 2021                  | Implemented                         |
| Gallery Cooled Gasoline Piston  | 2021                  | Implemented                         |
| Low axial height 2nd and LKZ® Oil ring  | 2021                  | Implemented                         |
| Grind master for chrome plating   | 2018                  | Implemented                         |
| Chinese Axial grinding machine  | 2019                  | Implemented                         |
| Dechroming m/c for plating  | 2019                  | Implemented                         |
| OD lapping machines   | 2019                  | Implemented                         |
| Profile Grinding  | 2019                  | Implemented                         |
| Waviness checking Instrument  | 2021                  | Implemented                         |
| Taper Turning   | 2020                  | Implemented                         |
| Grindmaster for chrome plating for rings  | 2018                  | Implemented                         |
| Hard Anodizing of top ring groove with Automatic plant                                | 2018                  | Implemented                         |
| Automatic Pre heating equipment for sintered salt core pistons                        | 2018                  | Implemented                         |
| Chinese Axial grinding machine for rings  | 2019                  | Implemented                         |
| Dechroming m/c for plating for rings  | 2019                  | Implemented                         |
| OD lapping machines for rings   | 2019                  | Implemented                         |
| Oval pin bore machine for gasoline pistons  | 2019                  | Implemented                         |
| Profile Grinding for Rings  | 2019                  | Implemented                         |
| Heat treatment furnace (indigenously developed)                                       | 2019                  | Implemented                         |
| Multi-gauging machine (indigenously developed)  | 2019                  | Implemented                         |
| Electric oven for baking of graphite coating for LVD pistons                          | 2019                  | Implemented                         |
| X-Ray machine for checking internal casting defects (indigenously developed)          | 2020                  | Implemented                         |
| Surface roughness checking machine, Profile contractor & laser marking for piston pin | 2020                  | Implemented                         |
| Eddy Current checking machine for pins (indigenously developed)                       | 2020                  | Implemented                         |
| Fanuc Robo drilling machine for crown milling & lube slot for gasoline pistons        | 2020                  | Implemented                         |
| Piston Conrod assembly machine for Maruti piston (indigenously developed)             | 2020                  | Implemented                         |

**4. The expenditure incurred on Research and Development (R&D):- Rs. 43.21 Lakhs (approx.)**

**C. FOREIGN EXCHANGE EARNINGS & OUTGO**

**1. Foreign exchange earned: Rs. 15,631.13 lacs**

**2. Foreign exchange utilized: Rs. 4839.11 lacs**



## ANNEXURE - 4 THE COMPANY CSR POLICY

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 abled 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 centres 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.

#### **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.



**ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT  
FOR FINANCIAL YEAR 2020-21 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:

| Sl. No. | Name of Director                    | Designation/<br>Nature of<br>Directorship        | Number of<br>meetings of CSR<br>Committee held<br>during the year | Number of<br>meetings of CSR<br>Committee attended<br>during the year |
|---------|-------------------------------------|--|---|---|
| 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<br>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: **NIL**



| 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> |                |   |  |

6. Average net profit of the Company as per Section 135(5): **Rs. 99.08 Crores**
7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 19,816,624/-**
- (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. 19,816,624/-**
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). |        |                  |
|   |  |                  | Name of the  |        |                  |
|   | Amount   | Date of transfer | Fund   | Amount | Date of transfer |
| 198.24 lakhs  | NIL  | NA               | NA   | NIL    | NA               |

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

| 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 |           | Project duration   | Amount allocated for the project (Amt. in Rs. In lacs) | Amount spent in the current financial Year (Amt. in Rs. In lacs) | Amount spent in the current financial Year (Amt. in Rs. In lacs) | Mode of implementation Direct (Yes/No) | Mode of implementation - Through implementing agency |                         |
|---------|---|--|----------------------|-------------------------|-----------|--------------------|--|--|--|--|--|-------------------------|
|         |   |  |                      | State                   | District  |                    |  |  |  |  | Name   | CSR registration number |
| 1.      | Sponsoring Education / of children till Class 3                   | Promotion of education                                       | Yes                  | Haryana                 | Guru-gram | 15/8/19 to 14/8/21 | 11.23  | 11.23  | Nil  | Through NGO                            | Ghar Angna (Ek Pyara Sapna)                          | CSR 0000 2625           |
| 2.      | Remedial Coaching for class 10 and 12 children – NIOS preparation | Promotion of education                                       | Yes                  | Haryana                 | Guru-gram | Full Year          | 19.35  | 19.35  | Nil  | Through NGO                            | Vidya  | CSR 0000 1204           |
| 3.      | Computer Training centre for Youth at IIT & Remedial Coaching     | Promotion of education                                       | Yes                  | Haryana                 | Guru-gram | Full Year          | 10.38  | 10.38  | Nil  | Through NGO                            | Vidya  | CSR 0000 1204           |
| 4.      | Providing school uniform for Deaf and Blind School                | Promotion of education                                       | Yes                  | Punjab                  | Patiala   | Full Year          | 6.51   | 6.51   | Nil  | Through NGO                            | Vidya  | CSR 0000 1204           |



|     |   |  |     |                               |                                    |                                |       |       |     |             |                       |               |
|-----|---|--|-----|-------------------------------|------------------------------------|--------------------------------|-------|-------|-----|-------------|-----------------------|---------------|
| 5.  | Sponsoring education and all expense for one unit (having 9 children and 1 mother)            | Promotion of education                 | Yes | Punjab                        | Rajpura                            | For 18 months (1/1/21-30/6/22) | 17.72 | 17.72 | Nil | Through NGO | SOS Children's Vilage | CSR 0000 0692 |
| 6.  | Infrastructure improvement at Govt. School, Thery, Patiala                                    | Promotion of education                 | Yes | Punjab                        | Patiala                            | 15/3/21 to 14/3/22             | 17.92 | 17.92 | Nil | Through NGO | Khushii               | CSR 0000 1135 |
| 7.  | Sponsoring education and all expense for one unit (having 9 children and 1 mother)            | Promotion of education                 | Yes | Karna-taka                    | Banga-lore                         | For 18 months (1/1/21-30/6/22) | 17.72 | 17.72 | Nil | Through NGO | SOS Children's Vilage | CSR 0000 0692 |
| 8.  | Sponsoring education of 130 Children  | Promotion of education                 | Yes | Karna-tka, Punjab and Haryana | Banga-lore, Rajpura and Farida-bad | For 18 months (1/1/21-30/6/22) | 44.23 | 44.23 | Nil | Through NGO | SOS Children's Vilage | CSR 0000 0692 |
| 9.  | Infrastructure Improvement in Girls Govt. School  | Promotion of education                 | Yes | Haryana                       | Farida-bad                         | 15/1/20 to 14/1/21             | 7.94  | 7.94  | Nil | Through NGO | Khushii               | CSR 0000 1135 |
| 10. | Water Conservation Project at Society for Welfare of Handicapped                              | Rural Develop-ment Project             | Yes | Punjab                        | Patiala                            | 15/3/21 to 14/3/22             | 1.72  | 1.72  | Nil | Through NGO | Khushii               | CSR 0000 1135 |
| 11. | Construction of day crawls for Atal Bihari Zoological Park in liaison with Govt. of Karnataka | Protection of Wild life                | Yes | Karna-taka                    | Humpi                              |                                | 14.3  | 14.3  | Nil | Through NGO | Manav Charities       | CSR 0000 5312 |
| 12. | Updation of OPD Dispensary at Rajpura Village   | Preventive HealthCare                  | Yes | Punjab                        | Patiala                            | 1/1/21 to 31/12/21             | 2.00  | 2.00  | Nil | Through NGO | Khushii               | CSR 0000 1135 |
| 13. | Supply of Masks during COVID  | Preventive HealthCare                  | Yes | Karna-taka                    | Banga-lore                         | 11/8/20 to 31/3/21             | 1.55  | 1.55  | Nil | Through NGO | Manav Charities       | CSR 0000 5312 |
| 14. | Silai Centre for women  | Women Empower-ment                     | Yes | Haryana                       | Gurgaon                            | 12/2/21 to 11/5/22             | 5.38  | 5.38  | Nil | Through NGO | Vidya                 | CSR 0000 1204 |
| 15. | Setting up of Production Unit for Silai Centre SHG + Running Silai Centre                     | Women Empower-ment                     | Yes | Raja-sithan                   | Bhiwadi                            | 1/4/20 to 31/8/21              | 8.98  | 8.98  | Nil | Through NGO | Khushii               | CSR 0000 1135 |
| 16. | Setting up of Silai Centre at Manav Charities   | Women Empower-ment                     | Yes | Karna-taka                    | Banga-lore                         | 1/6/20/ to 31/5/21             | 1.52  | 1.52  | Nil | Through NGO | Manav Charities       | CSR 0000 0531 |
| 17. | Setting up of Training workshop at Remand House   | Employment Enhancing Employment Skills | Yes | Karna-taka                    | Banga-lore                         | 1/4/2019 to 28/2/21            | 2.77  | 2.77  | Nil | Through NGO | Manav Charities       | CSR 0000 0531 |
| 18. | Setting up of Training workshop at Remand House   | Employment Enhancing Employment Skills | Yes | Karna-taka                    | Banga-lore                         | 1/4/2019 to 28/2/21            | 1.45  | 1.45  | Nil | Through NGO | Manav Charities       | CSR 0000 0531 |



|     |   |                        |     |         |         |                   |        |        |     |             |                 |               |
|-----|---|------------------------|-----|---------|---------|-------------------|--------|--------|-----|-------------|-----------------|---------------|
| 19. | Expense related to employee involved in CSR | Administrative Expense | Yes | Haryana | Gurgaon | 1/4/20 to 31/3/21 | 5.57   | 5.57   | Nil | Through NGO | Manav Charities | CSR 0000 0531 |
|     | TOTAL                                       |                        |     |         |         |                   | 198.24 | 198.24 | Nil |             |                 |               |

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

| (1)<br>Sl. No. | (2)<br>Name of the Project | (3)<br>Item from the list of activities in schedule VII to the Act. | (4)<br>Local area (Yes/ No) | (5)<br>Location of the project |          | (6)<br>Amount spent for the project (in Rs.) | (7)<br>Mode of implementation Direct (Yes/No) | (8)<br>Mode of implementation - Through implementing agency |                         |
|----------------|----------------------------|---|-----------------------------|--------------------------------|----------|--|---|---|-------------------------|
|                |                            |   |                             | State                          | District |  |   | Name  | CSR registration number |
| 1.             |                            |   |                             |                                |          |  |   |   |                         |
| 2.             |                            |   |                             |                                |          |  |   |   |                         |
| 3.             |                            |   |                             |                                |          |  |   |   |                         |
|                | TOTAL                      |   |                             |                                |          |  |   |   |                         |

(d) Amount spent in Administrative Overheads : As per 8(b) above.

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 198.24 lacs

(g) Excess amount for set off, if any: Nil

| Sl. No. | Particular  | Amount (in Rs.) |
|---------|---|-----------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      |                 |
| (ii)    | Total amount spent for the Financial Year   |                 |
| (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.      |                          |  |   |  |                |                  |  |
|         | TOTAL                    |  |   |  |                |                  |  |



(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**

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



## ANNEXURE – 6 TO THE DIRECTORS' REPORT

### 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

(in lacs)

| Sl. No.  | Particulars  |
|--|--|
| 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 2020 to 31 <sup>st</sup> March 2021  |
| 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<br>Issued Sh. Cap. - 1000.00 |
| 5. Reserves & surplus  | 12,509.90  |
| 6. Total assets  | 15880.21   |
| 7. Total Liabilities   | 15880.21   |
| 8. Investments   | Nil  |
| 9. Turnover (Net of excise/GST)  | 9070.54  |
| 10. Profit before taxation   | 1214.76  |
| 11. Provision for taxation   | 316.02   |
| 12. Profit after taxation  | 898.74   |
| 13. Proposed Dividend  | 580.00   |
| 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 2021.





## ANNEXURE – 7 TO THE DIRECTORS' REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2021

[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 31<sup>st</sup> March, 2021 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, 2021 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 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 three separate Notices for 'Offer for Sale' issued by one of the members of the promoter group of the Company i.e IEH FMGI Holdings LLC (which post closure of the Tendering period/Open offer held 12,145,391 Equity shares of the Company i.e 21.83%) divested 1,10,84,844 Equity shares (i.e 19.93%) and as on 31<sup>st</sup> March, 2021 the promoter along with the promoter group held 5,28,00,298 Equity shares (i.e 94.91%).

Further, vide Notice for 'Offer for Sale' dated 23<sup>rd</sup> 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.
- 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.
- 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 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 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 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**

Sd/-

**DEEPIKA GERA**

**FCS No. 3531**

**C P No: 7487**

**UDIN NO.: F003531C000443047**

**Place : NEW DELHI**

**Date:10-06-2021**

**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****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, 2021 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.

| <b>S. No.</b> | <b>Name of Director</b>                      | <b>DIN</b> | <b>Date of Appointment in Company</b> |
|---------------|--|------------|---------------------------------------|
| 1.            | Mr. Krishnamurthy Naga Subramaniam           | 00041843   | 30/04/2009                            |
| 2.            | Mr. Vinod Kumar Hans                         | 03328309   | 01/01/2016                            |
| 3.            | Mr. Sunil 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

Place: Delhi  
Date: 18<sup>th</sup> June, 2021

Sd/-  
**SURINDER VASHISHTHA**  
C. P. No. : 12313  
UDIN No. A021285C000481148



## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
**Federal-Mogul Goetze (India) Limited**  
DLF Prime Towers, 10 Ground Floor,  
F-79 & 80, Okhla Phase-I,  
New Delhi – 110020

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, 2021 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, 2021, 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

**Place: Delhi**  
**Date: 18<sup>th</sup> June, 2021**

Sd/-  
**SURINDER VASHISHTHA**  
**C. P. No. : 12313**  
**UDIN No. A021285C000481206**



## ANNEXURE-9 TO THE DIRECTORS' REPORT

### BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2) (f)]

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

| S.No. | Particulars  | Details  |                                  |
|-------|--|--|----------------------------------|
| 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, 2020 to 31 <sup>st</sup> March, 2021                              |                                  |
| 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): | Product<br>(i) Piston rings<br>(ii) Pistons<br>(iii) Pins                                | NIC Code<br>2811<br>2811<br>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 14 depots |                                  |
| 10.   | Markets served by the Company - Local/State/National/International                             | All India  |                                  |

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

| S. No. | Particulars   | Details  |
|--------|---|--|
| 1.     | Paidup Capital (INR)  | Rs. 556,321,300/-  |
| 2.     | Total Turnover (INR)  | Rs. 108,685.54 Lakhs   |
| 3.     | Total profit after taxes (INR)  | Rs. 76.62 Lakhs  |
| 4.     | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | Total spending on CSR activities was Rs. 198.17 lacs, which is 2% of the average profits of last 3 years.  |
| 5.     | List of activities in which expenditure in (4) above has been 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?<br>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<br>[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: | 1. <b>DIN Number:</b> 03328309<br>2. <b>Name:</b> Mr. Vinod Kumar Hans<br>3. <b>Designation:</b> Whole-Time Managing Director   |
|       | (b) Details of the BR head:  | 1. <b>DIN Number:</b> 03328309<br>2. <b>Name:</b> Mr. Vinod Kumar Hans<br>3. <b>Designation:</b> Whole-Time Managing Director<br>4. <b>Telephone number:</b> +91 124-4784530<br>5. <b>E-mail ID:</b> vinod.hans@tenneco.com |



| No. Questions  | P1  | P2  | P3  | P4  | P5  | P6  | P7 | P8  | P9  |
|--|-----|-----|-----|-----|-----|-----|----|-----|-----|
| 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 ?<br>If yes, Specify   | Y   | Y   | Y   | Y   | Y   | Y   | N  | Y   | Y   |
| 4. Has the policy being 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?                                | N   | N   | N   | N   | N   | N   | N  | Y   | N   |
| (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:<br>applicable (Tick upto 2 options)                     |     |     |     |     |     |     |    |     | Not |

\* 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.

# <http://www.federalmogul.com/en-US/Company/Pages/Policy-Documents.aspx>

## <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 ?<br>What is the hyper link for viewing this report ?<br>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:<br><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/<br>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<br>If so, provide details there of, in a bout 50 words or so. | During 2019-20, one complaint was received from a shareholder which was 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 <http://www.federalmogul.com/en-US/Company/Pages/Policy-Documents.aspx>. Supplier Manual is also posted at <http://www.federalmogul.com/en-US/Company/Pages/Policy-Documents.aspx> 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 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 - 3133
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 884 (There are total 1647 Casual/Temporary/Contractual Employees).
3. Please indicate the Number of permanent women employees - 40
4. Please indicate the Number of permanent employees with disabilities - 11
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%          | 81%             | 85%           | 50%              |
| 2.      | Permanent Women Employees              | 100%          | 57%             | 100%          | 50%              |
| 3.      | Casual/Temporary/Contractual Employees | 100%          | 83%             | 100%          | 50%              |
| 4.      | Employees with Disabilities            | NA            | 0%              | NA            | -                |



#### Principle 4

1. 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.

2. 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.

3. 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?

During 2020-21, one complaint was received from the shareholder which was satisfactorily resolved and that no shareholder complaint was pending at the end of the year. No complaint was received from other stakeholders.

#### 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. 198.17 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



## ANNEXURE-10 TO THE DIRECTORS' REPORT

### 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                    | 35.08  |
| 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  |

(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                    | 4.50                       |
| 2       | Dr. Khalid Iqbal Khan | Whole-time Director - Legal & Company Secretary | Nil                        |
| 3       | Mr. Manish Chadha     | CFO & Finance Director                          | 9.00                       |
| 4       | Mr. Rajesh Sinha      | Whole-time Director                             | 8.50                       |

(iii) The percentage increase in the median remuneration of employees in the financial year – **9.20%**

(iv) The number of permanent employees on the rolls of Company – **3133**.

(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 - The average percentile increase was 8.5% in the salaries of employees other than the Managerial Personnel. The percentile increase in the managerial remuneration is 5.33%. 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.



# ANNEXURE-11 TO THE DIRECTORS' REPORT

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</b> |                      |                                   |                                |   |   |            |                                 |             |   |   |  |
| 1.  | Mr. Vinod Kumar Hans | Whole-time Managing Director      | 2,13,16,521/-                  | Contractual                                     | B.E(Mech), PGDBM                                    | 34         | 1-Jul-08                        | 55          | GKN Driveline (India) Ltd.                      | Nil   | No   |
| 2.  | Mr. Sreenivasan N V  | Information System director-India | 1,19,98,057/-                  | Contractual                                     | DEE, B.Tech, Fast Track Business Management Program | 31         | 11-Jul-11                       | 51          | Areva T & D India Ltd.                          | Nil   | No   |
| <b>B. Employed for a part of the year and in receipt of remuneration not less than Rs. 8,50,000 per month</b> |                      |                                   |                                |   |   |            |                                 |             |   |   |  |
| <b>NIL</b>  |                      |                                   |                                |   |   |            |                                 |             |   |   |  |

## 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 2021</b> |                         |
|--|-------------------------|
| <b>Sl. No.</b>   | <b>Name of Employee</b> |
| <b>Total Gross remuneration as on 31<sup>st</sup> March 2021</b>   |                         |
| 1.   | Mr. Vinod Kumar Hans    |
| 2.   | Mr. Sreenivasan N V     |
| 3.   | Mr. Rajesh Sinha        |
| 4.   | Dr. Khalid Iqbal Khan   |
| 5.   | Mr. Manish Chadha       |
| 6.   | Mr. Sanjeev Sharma      |
| 7.   | Mr. Rakesh Kumar        |
| 8.   | Mr. Jasbir Singh        |
| 9.   | Mr. S S Srinivasa       |
| 10.  | Maresh S Joshi          |
|  | <b>2,13,16,521</b>      |
|  | <b>1,19,98,057</b>      |
|  | <b>1,06,09,422</b>      |
|  | <b>97,10,280</b>        |
|  | <b>94,59,374</b>        |
|  | <b>85,06,331</b>        |
|  | <b>63,20,537</b>        |
|  | <b>59,09,489</b>        |
|  | <b>57,91,577</b>        |
|  | <b>57,25,845</b>        |



## 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 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement 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 ('Act') in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, 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.

#### 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   |
|---|--|
| <b>Provisions and contingent liabilities relating to litigations</b><br><br><p>As disclosed in note 37 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 Rs. 5,793.33 lacs and disclosed contingent liabilities of Rs. 6,079.63 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>Our audit procedures in relation to the provisions and contingent liabilities relating to litigations, included, but were not limited to, the following:</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</li> <li>measurement of amounts involved.</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 is 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. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the 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, 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 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 management's 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;

- 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, 2016 ('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.

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 2021 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone



financial statements of the Company for the year ended on that date and our report dated 28 June 2021 as per Annexure B expressed 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 37 to the standalone financial statements, has disclosed the impact of pending litigation(s) on its financial position as at 31 March 2021;

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 2021.;

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 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone

financial statements. Hence, reporting under this clause is not applicable.

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

**Anamitra Das**  
 Partner  
**Membership No.: 062191**  
**UDIN: 21062191AAAAIX8165**  
 Place: Gurugram  
 Date: 28<sup>th</sup> June 2021



**Annexure A 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 2021**

**Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, intangible assets and right-of-use assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are 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 were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment' and 'right-of-use asset') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) 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 sub-section (1) of Section 148 of the Act in respect of Company's products 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) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to 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 become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, goods and services tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

| 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     | 2.30                 | -                                       | 2007-08                            | Assessing officer, Delhi  |
| Income tax Act, 1961 | Income tax     | 1,732.22             | -                                       | 2010-11                            | Income Tax Appellate Tribunal and Commissioner of Income Tax (Appeals), Delhi |
| Income tax Act, 1961 | Income tax     | 1.98                 | -                                       | 2011-12                            | Assessing officer, Delhi  |
| Income tax Act, 1961 | Income tax     | 26.75                | -                                       | 2013-14                            | Commissioner of Income Tax (Appeals), Delhi                                   |



| 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      | 79.11                | -                                       | 2014-15                            | Commissioner of Income Tax (Appeals), Delhi                   |
| Income tax Act, 1961            | Income tax      | 786.95               | -                                       | 2015-16                            | Commissioner of Income Tax (Appeals), Delhi                   |
| Income tax Act, 1961            | Income tax      | 528.99               | 142.15                                  | 2016-17                            | Commissioner of Income Tax (Appeals), Delhi                   |
| The Central Excise Act, 1944    | Excise Duty     | 1.18                 | -                                       | 1995-1996                          | Joint Commissioner of Central Excise, Patiala, Punjab         |
| The Central Excise Act, 1944    | Excise Duty     | 1.36                 | -                                       | 2003-2004                          | Joint Commissioner of Central Excise, Patiala, Punjab         |
| The Central Excise Act, 1944    | Excise Duty     | 1.76                 | -                                       | 1997-1999                          | Assistant Commissioner of Central Excise, Patiala, Punjab     |
| The Central Excise Act, 1944    | Excise Duty     | 1.84                 | -                                       | 1997-98                            | Joint Commissioner of Central Excise, Patiala, Punjab         |
| The Central Excise Act, 1944    | Excise Duty     | 6.96                 | -                                       | 1998-1999                          | Joint Commissioner of Central Excise, Patiala, Punjab         |
| The Central Excise Act, 1944    | Excise Duty     | 3.32                 | -                                       | 2001-2002                          | Additional Commissioner of Central Excise, Patiala, Punjab    |
| The Central Excise Act, 1944    | Excise Duty     | 188.28               | -                                       | 2014-2017                          | Joint Commissioner, CGST Commissionerate, Alwar Rajasthan     |
| The Central Excise Act, 1944    | Excise Duty     | 282.45               | -                                       | Nov-2013 to Jun-2017               | Additional Director General- DGGSTI, New Delhi                |
| The Central Excise Act, 1944    | Excise Duty     | 241.00               | -                                       | 2014-15                            | Additional Director General- DGGSTI, New Delhi                |
| The Central Excise Act, 1944    | Excise Duty     | 10.84                | -                                       | 2017                               | Assistant Commissioner GST, Bhiwadi                           |
| Finance Act, 1994 (Service Tax) | Service tax     | 86.44                | 25.00                                   | 2006-2007                          | Customs, Excise and Service Tax Appellate Tribunal, Bangalore |
| Finance Act, 1994 (Service Tax) | Service tax     | 3.55                 | -                                       | 2009                               | Assistant Commissioner, Bhiwadi, Rajasthan                    |
| Finance Act, 1994 (Service Tax) | Service tax     | 314.73               | 327.47                                  | 2008-12                            | Customs, Excise and Service Tax Appellate Tribunal, New Delhi |
| Finance Act, 1994 (Service Tax) | Service tax     | 16.61                | -                                       | 2009-10                            | Joint Commissioner, Jaipur, Rajasthan                         |
| Finance Act, 1994 (Service Tax) | Service tax     | 5.81                 | 0.58                                    | 2008-2011                          | Commissioner of Central Excise, Bangalore                     |
| Finance Act, 1994 (Service Tax) | Service tax     | 113.70               | 4.60                                    | May 2005 to July 2005              | Customs, Excise and Service Tax Appellate Tribunal, Bangalore |
| Finance Act, 1994 (Service Tax) | Service tax     | 194.00               | 14.60                                   | Oct 2008 to March 2013             | Customs, Excise and Service Tax Appellate Tribunal, Bangalore |
| Finance Act, 1994 (Service Tax) | Service tax     | 0.09                 | -                                       | May 2008 To Dece. 2008             | Add. Commissioner, Jaipur                                     |
| Finance Act, 1994 (Service Tax) | Service tax     | 13.02                | -                                       | 2006-08                            | Joint. Commissioner, Jaipur                                   |
| Finance Act, 1994 (Service Tax) | Service tax     | 13.56                | -                                       | 2010-11                            | Joint. Commissioner, Jaipur                                   |
| Finance Act, 1994 (Service Tax) | Service tax     | 28.70                | -                                       | 2011-12                            | Joint. Commissioner, Jaipur                                   |
| West Bengal VAT Act, 2003       | Value added tax | 1.56                 | -                                       | 2001-2002                          | Kolkata Assistant Commissioner                                |
| West Bengal VAT Act, 2003       | Value added tax | 1.87                 | -                                       | 2004-2005                          | Kolkata Assistant Commissioner                                |
| West Bengal VAT Act, 2003       | Value added tax | 1.76                 | -                                       | 2006-2007                          | Kolkata Assistant Commissioner                                |



| 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             |
|------------------------------|-----------------|----------------------|---|------------------------------------|--|
| West Bengal VAT Act, 2003    | Value added tax | 1.18                 | -                                       | 2006-2007                          | Kolkata Assistant Commissioner             |
| Karnataka VAT Act, 2003      | Value Added tax | 1.36                 | -                                       | 2007-2008                          | Assistant Commissioner, Bangalore          |
| Karnataka VAT Act, 2003      | Value added tax | 13.38                | 3.41                                    | 2008-09                            | DCCT Audit Bangalore                       |
| Uttaranchal VAT Act, 2005    | Value Added Tax | 33.38                | 33.38                                   | 2010-11                            | Uttarakhand High Court                     |
| Gujarat VAT Demand Act, 2003 | Value Added Tax | 568.25               | 56.83                                   | 2012-13                            | Gujarat DC Appeals                         |
| Gujarat CST Demand           | 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               |
| Andhra Pradesh VAT Act, 2005 | Value added tax | 35.07                | 5.48                                    | 2013-14                            | Telangana, Assessing Officer               |
| Rajasthan VAT Act, 2003      | Value Added Tax | 85.06                | -                                       | 2014-17                            | Assistant Commissioner, Bhiwadi, Rajasthan |
| Karnataka VAT Act 2003       | Value Added Tax | 442.42               | -                                       | 2015-16                            | DCCT, Audit Bangalore                      |

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

#### For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### Anamitra Das

Partner

Membership No.: 062191

UDIN: 21062191AAAAIX8165

Place : Gurugram

Date : 28<sup>th</sup> June 2021



**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 2021**

**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 2021, 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 2021, 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**

**Anamitra Das**

Partner

Membership No.: 062191

UDIN: 21062191AAAAIX8165

Place: Gurugram

Date: 28<sup>th</sup> June 2021



**Federal-Mogul Goetze (India) Limited**  
**Standalone Balance Sheet as at 31 March 2021**

Amount ₹ in lacs

|  | Notes | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|-------|------------------------|------------------------|
| <b>ASSETS</b>  |       |                        |                        |
| <b>Non-current assets</b>  |       |                        |                        |
| Property, plant and equipment  | 3(a)  | 49,648.69              | 51,581.60              |
| Capital work-in-progress   | 3(a)  | 2,116.31               | 3,602.49               |
| Right-of-use assets  | 3(a)  | 1,285.03               | 484.02                 |
| Intangible assets  | 3(b)  | 143.91                 | 37.09                  |
| Financial assets   |       |                        |                        |
| - Investments  | 4     | 517.43                 | 516.94                 |
| - Loans  | 5     | 1,269.24               | 1,289.40               |
| - Other financial assets   | 6     | 564.97                 | 491.36                 |
| Deferred tax assets (net)  | 15    | 679.19                 | -                      |
| Income-tax assets (net)  | 7     | 722.41                 | 632.75                 |
| Other non-current assets   | 8     | 1,141.66               | 1,009.89               |
|  |       | <b>58,088.84</b>       | <b>59,645.54</b>       |
| <b>Current assets</b>  |       |                        |                        |
| Inventories  | 9     | 17,338.48              | 18,443.40              |
| Financial assets   |       |                        |                        |
| - Trade receivables  | 10    | 25,739.71              | 18,370.23              |
| - Cash and cash equivalents  | 11(a) | 12,970.89              | 2,869.92               |
| - Other bank balances  | 11(b) | -                      | 2,000.00               |
| - Loans  | 5     | 57.74                  | 60.69                  |
| - Other financial assets   | 6     | 1,087.30               | 1,124.55               |
| Other current assets   | 8     | 2,093.10               | 1,165.36               |
|  |       | <b>59,287.22</b>       | <b>44,034.15</b>       |
| <b>TOTAL ASSETS</b>  |       | <b>1,17,376.06</b>     | <b>1,03,679.69</b>     |
| <b>EQUITY AND LIABILITIES</b>  |       |                        |                        |
| <b>Equity</b>  |       |                        |                        |
| Equity share capital   | 12    | 5,563.21               | 5,563.21               |
| Other equity   | 13    | 70,168.93              | 69,849.17              |
|  |       | <b>75,732.14</b>       | <b>75,412.38</b>       |
| <b>Liabilities</b>   |       |                        |                        |
| <b>Non-current liabilities</b>   |       |                        |                        |
| Financial liabilities  |       |                        |                        |
| - Lease liabilities  | 17    | 892.97                 | 7.60                   |
| Provisions   | 14    | 8,275.60               | 4,420.22               |
| Deferred tax liabilities (net)   | 15    | -                      | 713.72                 |
|  |       | <b>9,168.57</b>        | <b>5,141.54</b>        |
| <b>Current liabilities</b>   |       |                        |                        |
| Financial liabilities  |       |                        |                        |
| - Trade payables   |       |                        |                        |
| - total outstanding dues of micro enterprises and small enterprises                      | 16    | 1,452.66               | 911.89                 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 16    | 26,362.14              | 18,838.03              |
| - Lease liabilities  | 17    | 68.26                  | 139.58                 |
| - Other financial liabilities  | 18    | 786.63                 | 787.40                 |
| Other current liabilities  | 19    | 2,166.26               | 814.44                 |
| Provisions   | 14    | 1,639.40               | 1,634.43               |
|  |       | <b>32,475.35</b>       | <b>23,125.77</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |       | <b>1,17,376.06</b>     | <b>1,03,679.69</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 Chandiok & Co LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner

Membership No.: 062191

Place: Gurugram

Date: 28<sup>th</sup> June 2021

**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 Profit and Loss for the year ended 31 March 2021**

Amount ₹ in lacs

|   | Notes | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|-------|-----------------------------|-----------------------------|
| <b>INCOME</b>   |       |                             |                             |
| Revenue from operations   | 20    | 1,08,685.54                 | 1,06,639.22                 |
| Other income  | 21    | 2,371.05                    | 2,476.05                    |
| <b>Total income</b>   |       | <b>1,11,056.59</b>          | <b>1,09,115.27</b>          |
| <b>Expenses</b>   |       |                             |                             |
| Cost of materials consumed  | 22    | 36,313.98                   | 33,947.30                   |
| Purchases of stock-in-trade   | 23    | 1,410.18                    | 1,580.42                    |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress       | 24    | 1,822.32                    | 2,144.64                    |
| Employee benefits expense   | 25    | 28,926.06                   | 28,507.52                   |
| Finance costs   | 26    | 242.22                      | 482.00                      |
| Depreciation and amortisation expense   | 27    | 7,958.60                    | 8,862.75                    |
| Other expenses  | 28    | 30,051.73                   | 30,280.67                   |
| <b>Total expenses</b>   |       | <b>1,06,725.09</b>          | <b>1,05,805.30</b>          |
| <b>Profit before exceptional item and tax</b>                                       |       | <b>4,331.50</b>             | <b>3,309.97</b>             |
| Exceptional item  | 37(b) | 4,275.00                    | -                           |
| <b>Profit before tax</b>  |       | <b>56.50</b>                | <b>3,309.97</b>             |
| <b>Tax expense</b>  |       |                             |                             |
| Current tax   | 30    | 1,454.56                    | 1,242.33                    |
| Deferred tax  | 30    | (1,474.68)                  | (916.02)                    |
| Total tax expense   |       | (20.12)                     | 326.31                      |
| <b>Profit for the year</b>  |       | <b>76.62</b>                | <b>2,983.66</b>             |
| Other comprehensive (income)/loss for the year                                      |       |                             |                             |
| A (i) Items that will not be reclassified to profit or loss                         |       |                             |                             |
| Remeasurements of the post employment defined benefit plans (gain)/loss             |       | (324.91)                    | 1,218.78                    |
| B (ii) Income tax relating to items that will not be reclassified to profit or loss |       | 81.77                       | (306.74)                    |
| <b>Total comprehensive (income)/loss for the year</b>                               |       | <b>(243.14)</b>             | <b>912.04</b>               |
| <b>Total comprehensive income</b>   |       | <b>319.76</b>               | <b>2,071.62</b>             |
| Earnings per equity share (of ₹ 10 each)  | 29    |                             |                             |
| Basic (₹)   |       | 0.14                        | 5.36                        |
| Diluted (₹)   |       | 0.14                        | 5.36                        |

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

**Anamitra Das**  
Partner  
Membership No.: 062191

Place: Gurugram  
Date: 28<sup>th</sup> June 2021

**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**  
**Standalone Cash flow statement for the year ended March 31, 2021**

Amount ₹ in lacs

|  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| <b>A. Cash flow from operating activities</b>  |                             |                             |
| Profit before tax  | 56.50                       | 3,309.97                    |
| <b>Adjustments for:</b>  |                             |                             |
| Depreciation and amortisation expense  | 7,958.60                    | 8,862.75                    |
| Exceptional item   | 4,275.00                    | -                           |
| Loss on sale/discard of property, plant and equipment (net)                                | 140.42                      | 170.26                      |
| Provision for doubtful debts and advances  | 54.81                       | -                           |
| Excess provision no longer required written back   | (285.87)                    | (443.45)                    |
| Provision for warranties   | 14.77                       | 43.18                       |
| Bad debts/advances written off   | 8.86                        | 41.81                       |
| Interest income  | (173.85)                    | (128.54)                    |
| Dividend income  | (443.70)                    | (318.75)                    |
| Interest expense   | 242.22                      | 482.00                      |
| Unrealised foreign exchange loss/(gain) (net)  | 105.15                      | (205.57)                    |
| <b>Operating profit before working capital changes</b>                                     | <b>11,952.91</b>            | <b>11,813.66</b>            |
| <b>Movements in working capital:</b>   |                             |                             |
| (Increase)/decrease in trade/other receivables   | (7,531.66)                  | 4,677.53                    |
| Decrease in inventories  | 1,104.91                    | 2,226.38                    |
| Decrease in other current and non-current financial assets                                 | 75.74                       | 102.06                      |
| (Increase)/decrease in other current and non-current assets                                | (925.86)                    | 908.48                      |
| (Decrease) in other current and non-current financial liabilities                          | (28.80)                     | (30.51)                     |
| Increase/(decrease) in other current and non-current liabilities                           | 1,351.82                    | (993.04)                    |
| (Decrease) in current and non-current provisions   | (104.51)                    | (1,038.09)                  |
| Increase in trade payables   | 8,350.75                    | 1,850.48                    |
| <b>Cash flow from operating activities post working capital changes</b>                    | <b>14,245.30</b>            | <b>19,516.95</b>            |
| Income tax paid (net)  | (1,544.23)                  | (1,512.53)                  |
| <b>Net cash generated from operating activities</b>  | <b>12,701.07</b>            | <b>18,004.42</b>            |
| <b>B. Cash flows from investing activities</b>   |                             |                             |
| Purchase of property, plant and equipment (including capital work-in-progress)             | (4,724.40)                  | (7,252.09)                  |
| Proceeds from sale of property, plant and equipment  | 27.45                       | 39.99                       |
| Movement in other bank balances (net)  | 1,926.39                    | (1,896.04)                  |
| Investment in equity shares of a Company   | (0.49)                      | -                           |
| Interest received  | 158.46                      | 122.90                      |
| Dividend received  | 443.70                      | 318.75                      |
| Inter corporate deposit given  | (2,200.00)                  | -                           |
| Inter corporate deposit received back  | 2,200.00                    | -                           |
| <b>Net cash used in investing activities</b>   | <b>(2,168.89)</b>           | <b>(8,666.49)</b>           |
| <b>C. Cash flows from financing activities</b>   |                             |                             |
| Movement in borrowings (short term)  | -                           | (6,660.00)                  |
| Inter corporate deposit taken  | 2,200.00                    | -                           |
| Inter corporate deposit repaid   | (2,200.00)                  | -                           |
| Repayment of lease liabilities   | (198.71)                    | (230.98)                    |
| Interest paid  | (232.50)                    | (517.79)                    |
| <b>Net cash used in financing activities</b>   | <b>(431.21)</b>             | <b>(7,408.77)</b>           |
| <b>Net increase in cash and cash equivalents (A + B + C)</b>                               | <b>10,100.97</b>            | <b>1,929.16</b>             |
| <b>Cash and cash equivalents at the beginning of the year</b>                              | <b>2,869.92</b>             | <b>940.76</b>               |
| <b>Cash and cash equivalents at the end of the year</b>                                    | <b>12,970.89</b>            | <b>2,869.92</b>             |
| <b>Cash and cash equivalents as per above comprise of the following (refer note no 11)</b> | <b>Year ended</b>           | <b>Year ended</b>           |
| With banks - on current account  | 6,960.53                    | 2,869.92                    |
| Fixed deposits with original maturity less than 3 months                                   | 6,010.36                    | -                           |
|  | <b>12,970.89</b>            | <b>2,869.92</b>             |

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 Chandio & Co LLP**

**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner

Membership No.: 062191

Place: Gurugram

Date: 28<sup>th</sup> June 2021

**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 2021**

Amount ₹ in lacs

| Particulars   | Balance as at 01 April 2019 | Change in equity share capital during the year | Balance as at 31 March 2020 | Change in equity share capital during the year | Balance as at 31 March 2021 |
|---|-----------------------------|--|-----------------------------|--|-----------------------------|
| <b>A) Equity share capital</b>  | <b>5,5 63.21</b>            | <b>-</b>                                       | <b>5,563.21</b>             | <b>-</b>                                       | <b>5,563.21</b>             |
| <b>B) Other equity</b>  | <b>Reserves and surplus</b> |  |                             |  |                             |
| Particulars   | Capital reserve             | Capital redemption reserve                     | Securities premium          | Retained earnings                              | Total                       |
| <b>Balance as at 01 April 2019</b>  | <b>56.55</b>                | <b>1,000.00</b>                                | <b>26,750.74</b>            | <b>39,970.26</b>                               | <b>67,777.55</b>            |
| Additions during the year: -  |                             |  |                             |  |                             |
| Profit for the year   | -                           | -  | -                           | 2,983.66                                       | 2,983.66                    |
| Other Comprehensive Income for the year ended                                 |                             |  |                             |  |                             |
| Remeasurements of the post employment defined benefit plans gain (net of tax) | -                           | -  | -                           | (912.04)                                       | (912.04)                    |
| <b>Balance as at 31 March 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>            |

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

**Anamitra Das**  
Partner  
Membership No.: 062191

Place: Gurugram  
Date: 28<sup>th</sup> June 2021

**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 2021

### 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.

#### (b) Recent accounting pronouncements

##### Amendments to Schedule III of the Companies Act, 2013

On 24 March 2021, the Ministry of Corporate Affairs ('MCA') through a notification, amended Schedule III of the Act. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The revised Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, prescribes amendments for various additional disclosures. The Company is evaluating the requirements of these amendments and their impact on the financial statements.

#### 2.2 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 2021 were authorised and approved for issue by the Board of Directors on 28 June 2021.

#### 2.3 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

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.

##### 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.



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

### d) 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                         |

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.

### e) 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.

### f) 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.



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

### g) 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.

### h) 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.



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

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### 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.

#### i) 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.

#### i) 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 to the standalone financial statements for the year ended 31 March 2021

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.

### k) Inventories

|  |   |
|--|---|
| 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:<br>- 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.  |
| - 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.

### l) 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



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

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.

### **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.



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

### 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.

### m) 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.

### n) 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.

### o) 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.

(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



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

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.

### **p) 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).

### **q) 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.

### **r) 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.

### **s) 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.



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

### t) 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.

### u) 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 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** – 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 2021

(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 2019           | 1,485.16        | 11,940.88        | 1,796.36                                   | 1,20,625.67         | 406.49        | 1,36,254.56        | 362.87                    | 2,805.67                 |
| Additions/transfers   | -               | 297.50           | 83.33                                      | 6,410.39            | 35.71         | 6,826.93           | 357.29                    | 7,014.62                 |
| Disposals/adjustments                                       | -               | (27.67)          | (25.80)                                    | (1,834.73)          | (13.25)       | (1,901.45)         | -                         | (6,217.80)               |
| <b>Closing gross carrying amount as on 31 March 2020</b>    | <b>1,485.16</b> | <b>12,210.71</b> | <b>1,853.89</b>                            | <b>1,25,201.33</b>  | <b>428.95</b> | <b>1,41,180.04</b> | <b>720.16</b>             | <b>3,602.49</b>          |
| <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>Accumulated depreciation</b>                             |                 |                  |  |                     |               |                    |                           |                          |
| Opening accumulated depreciation as on 01 April 2019        | -               | 5,473.33         | 1,275.60                                   | 75,529.31           | 292.35        | 82,570.59          | 12.84                     |                          |
| Depreciation charge during the year                         | -               | 380.05           | 90.69                                      | 8,137.10            | 31.01         | 8,638.85           | 223.30                    |                          |
| Disposals/adjustments                                       | -               | (19.72)          | (24.70)                                    | (1,553.37)          | (13.21)       | (1,611.00)         | -                         |                          |
| <b>Closing accumulated depreciation as on 31 March 2020</b> | <b>-</b>        | <b>5,833.66</b>  | <b>1,341.59</b>                            | <b>82,113.04</b>    | <b>310.15</b> | <b>89,598.44</b>   | <b>236.14</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>Net carrying amount as on 31 March 2020</b>              | <b>1,485.16</b> | <b>6,377.05</b>  | <b>512.30</b>                              | <b>43,088.29</b>    | <b>118.80</b> | <b>51,581.60</b>   | <b>484.02</b>             | <b>3,602.49</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>          |

#### 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 & equipments which are pledged or under lien.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### 3(b). Intangible assets

|   | Software      | Total<br>intangible<br>assets |
|---|---------------|-------------------------------|
| <b>Gross carrying amount</b>                                |               |                               |
| Opening gross carrying amount as on 01 April 2019           | 109.16        | 109.16                        |
| Additions   | -             | -                             |
| Disposals   | -             | -                             |
| <b>Closing gross carrying amount as on 31 March 2020</b>    | <b>109.16</b> | <b>109.16</b>                 |
| <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>Accumulated amortisation</b>                             |               |                               |
| Opening accumulated amortisation as on 01 April 2019        | 71.47         | 71.47                         |
| Amortisation charge during the year                         | 0.60          | 0.60                          |
| <b>Closing accumulated amortisation as on 31 March 2020</b> | <b>72.07</b>  | <b>72.07</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>Net carrying amount as on 31 March 2020</b>              | <b>37.09</b>  | <b>37.09</b>                  |
| <b>Net carrying amount as on 31 March 2021</b>              | <b>143.91</b> | <b>143.91</b>                 |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### 4. Investments

|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>(i) 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>(ii) Investment in equity shares of other entity, unquoted</b>  |                        |                        |
| 74,263 Equity shares (previous year : 67,690 equity shares) of ₹ 10 each fully paid in Vyshali Energy Private Limited          | 7.43                   | 6.94                   |
| <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>517.43</b>          | <b>516.94</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. Loans

|                    | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--------------------|------------------------|------------------------|
|                    | Non<br>current         | Non<br>current         |
| Security deposits* | 1,269.24               | 1,289.40               |
|                    | <b>1,269.24</b>        | <b>1,289.40</b>        |

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

### 6. Other financial assets

|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
|   | Non<br>current         | Non<br>current         |
| Unsecured, considered good                                  |                        |                        |
| Margin money deposits - pledged with government authorities | 523.55                 | 491.36                 |
| Export incentive receivable                                 | -                      | 468.30                 |
| Earnest money deposits                                      | -                      | 17.73                  |
| Fixed deposits with original maturity more than 12 months   | 41.42                  | -                      |
| Other receivables   | -                      | 638.52                 |
|   | <b>564.97</b>          | <b>1,124.55</b>        |

Refer note no 31 for fair value disclosures in respect of financial assets measured at amortised cost and refer note no 32 for financial risk management.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### 7. Income-tax assets

|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <b>Income-tax assets</b>                      |                        |                        |
| Advance taxes paid (net of provision for tax) | 722.41                 | 632.75                 |
|   | <b>722.41</b>          | <b>632.75</b>          |

### 8. Other assets

|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
|  | Non<br>current         | Non<br>current         |
| <b>Capital advances (Unsecured, considered good)</b> | <b>265.31</b>          | <b>122.01</b>          |
| Advances other than capital advances:                |                        |                        |
| Unsecured, considered good                           | -                      | 605.28                 |
| Unsecured, credit impaired                           | -                      | 3.96                   |
| Less: Provision for doubtful advances                | (2.12)                 | (3.96)                 |
|  | <b>779.84</b>          | <b>605.28</b>          |
| Prepaid expenses                                     | 12.63                  | 25.11                  |
| Paid to government authorities under protest         | 863.72                 | 862.77                 |
| Other receivable                                     | -                      | -                      |
|  | <b>1,141.66</b>        | <b>1,009.89</b>        |
|  | <b>2,093.10</b>        | <b>1,165.36</b>        |

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

|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Raw materials and components (includes stock in transit of ₹ 500.21 lacs (previous year ₹ 506.34 lacs) | 2,487.58               | 2,052.25               |
| Work-in-progress   | 4,506.93               | 5,525.75               |
| Finished goods   | 7,745.83               | 8,556.81               |
| Traded goods   | 22.49                  | 15.00                  |
| Stores and spares (includes stock in transit of ₹ 59.06 lacs (previous year ₹ 32.05 lacs)              | 2,575.65               | 2,293.59               |
|  | <b>17,338.48</b>       | <b>18,443.40</b>       |

Note : The cost of inventories recognised as an expense includes ₹ **312.61 lacs** (previous year ₹ 241.74 lacs) in respect of write-downs of inventory to net realisable value. The same has been included in note no. 22, 23 and 24.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### 10. Trade receivables

|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Secured, considered good                       | 393.67                 | 422.48                 |
| Unsecured, considered good                     | 25,420.24              | 18,023.92              |
| Unsecured, significant increase in credit risk | 205.72                 | 172.07                 |
|  | <b>26,019.63</b>       | <b>18,618.47</b>       |
| Less: Allowances for expected credit losses    | (279.92)               | (248.24)               |
|  | <b>25,739.71</b>       | <b>18,370.23</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. 32 for provision for doubtful debts.

(3) Refer note no. 38 for balances due from related party.

### 11. Cash and cash equivalents

|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>a) Cash and cash equivalents</b>  |                        |                        |
| Balances with scheduled banks:   |                        |                        |
| - Current accounts   | 6,960.53               | 2,869.92               |
| - Fixed deposits with original maturity less than 3 months                       | 6,010.36               | -                      |
|  | <b>12,970.89</b>       | <b>2,869.92</b>        |
| <b>b) Other bank balances</b>  |                        |                        |
| Fixed deposits with original maturity more than 3 months but less than 12 months | -                      | 2,000.00               |
|  | <b>-</b>               | <b>2,000.00</b>        |

### 12. Equity share capital

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>Authorised shares</b>   |                        |                        |
| 80,000,000 (previous year: 80,000,000) 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>                 |                        |                        |
| 55,632,130 (previous year: 55,632,130) 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 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.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### (c) Shares held by Holding/ Ultimate Holding Company and/ or their subsidiaries/ associates

|  | 31 March 2021 |           | 31 March 2020 |           |
|--|---------------|-----------|---------------|-----------|
|  | No.           | % holding | No.           | % holding |
| Equity shares of Rs.10/- fully paid                                  |               |           |               |           |
| Federal Mogul Holding Limited, Mauritius, the Holding company        | 33,408,581    | 60.05%    | 33,408,581    | 60.05%    |
| Federal Mogul Vermögensverwaltungs GMBH, a fellow subsidiary company | 8,306,873     | 14.93%    | 8,306,873     | 14.93%    |

### (d) 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*  | 31 March 2021 |           | 31 March 2020 |           |
|---|---------------|-----------|---------------|-----------|
|   | 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%    | 1,21,45,391   | 21.83%    |

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

- (e) Post closure of the Tendering period/Open offer, one of the members of the promoter group of the Company i.e IEH FMGI Holdings LLC held 12,145,391 Equity shares of the Company (i.e 21.83%). Vide three separate Notices for 'Offer for Sale', IEH FMGI Holdings LLC tendered said Equity shares for sale and as on 31 March 2021, the promoter alongwith the promoter group held 5,28,00,298 Equity shares (i.e 94.91%). Vide Notice for 'Offer for Sale' dated 23 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.
- (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.

### 13. Other equity

| Particulars   | Capital reserve | Capital redemption reserve | Securities premium | Retained earnings | Total            |
|---|-----------------|----------------------------|--------------------|-------------------|------------------|
| <b>Balance as at 01 April 2019</b>  | <b>56.55</b>    | <b>1,000.00</b>            | <b>26,750.74</b>   | <b>39,970.26</b>  | <b>67,777.55</b> |
| Profit for the year   | -               | -                          | -                  | 2,983.66          | 2,983.66         |
| Items of other comprehensive income recognised directly in retained earnings: |                 |                            |                    |                   |                  |
| Remeasurements of the post employment defined benefit plans gain (net of tax) | -               | -                          | -                  | (912.04)          | (912.04)         |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

| Particulars   | Capital reserve | Capital redemption reserve | Securities premium | Retained earnings | Total            |
|---|-----------------|----------------------------|--------------------|-------------------|------------------|
| <b>Balance as at 31 March 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> |

### 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.

## 14. Provisions

|   | As at<br>31 March 2021 |                 | As at<br>31 March 2020 |                 |
|---|------------------------|-----------------|------------------------|-----------------|
|   | Non Current            | Current         | Non Current            | Current         |
| <b>Provision for employee benefits</b>                  |                        |                 |                        |                 |
| Provision for gratuity (refer note no 40)               | 2,532.17               | -               | 3,316.04               | -               |
| Provision for compensated absences                      | 1,365.72               | 217.11          | 989.52                 | 232.01          |
|   | <b>3,897.89</b>        | <b>217.11</b>   | <b>4,305.56</b>        | <b>232.01</b>   |
| Provision for regulatory matters (refer note (a) below) | 4,377.71               | 1,415.62        | 114.66                 | 1,402.42        |
| Provision for warranties (refer note (a) below)         | -                      | 6.67            | -                      | -               |
|   | <b>4,377.71</b>        | <b>1,422.29</b> | <b>114.66</b>          | <b>1,402.42</b> |
|   | <b>8,275.60</b>        | <b>1,639.40</b> | <b>4,420.22</b>        | <b>1,634.43</b> |

### Note (a)

| Provisions movement<br>(also refer Note no. 44) | 31 March 2021                     |                               |                     | 31 March 2020                     |                               |                     |
|---|-----------------------------------|-------------------------------|---------------------|-----------------------------------|-------------------------------|---------------------|
|   | Regulatory matters<br>Non current | Regulatory matters<br>Current | Warranty<br>Current | Regulatory matters<br>Non current | Regulatory matters<br>Current | Warranty<br>Current |
| Opening balance                                 | 114.66                            | 1,402.42                      | -                   | 240.93                            | 1,940.57                      | -                   |
| Provision made during the year                  | 4,293.39                          | 95.68                         | 6.67                | -                                 | 132.01                        | -                   |
| Utilised during the year                        | -                                 | (82.48)                       | -                   | (93.13)                           | (670.16)                      | -                   |
| Finance expense on unwinding of provision       | (30.34)                           | -                             | -                   | (33.14)                           | -                             | -                   |
| <b>Closing balance</b>                          | <b>4,377.71</b>                   | <b>1,415.62</b>               | <b>6.67</b>         | <b>114.66</b>                     | <b>1,402.42</b>               | <b>-</b>            |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

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

|  | Opening<br>balance<br>as on 1 April 2019 | Recognised<br>in statement<br>of profit & loss | Recognised<br>in OCI | Closing<br>balance as on<br>31 March 2020 |
|--|--|--|----------------------|---|
| <b>Deferred tax assets</b>   |  |  |                      |   |
| Provision for employees benefits   | 1,298.39                                 | (449.55)                                       | 306.74               | 1,155.58                                  |
| Provision for doubtful debts and advances  | 106.95                                   | (43.48)  | -                    | 63.47                                     |
| Provision for regulatory matters   | 552.57                                   | (257.04)                                       | -                    | 295.53                                    |
| Others   | 247.16                                   | (55.20)  | -                    | 191.96                                    |
|  | <b>2,205.07</b>                          | <b>(805.27)</b>                                | <b>306.74</b>        | <b>1,706.54</b>                           |
| <b>Deferred tax liabilities</b>  |  |  |                      |   |
| Property, plant and equipment and intangible assets on account of difference in written down value | 4,141.54                                 | (1,721.28)                                     | -                    | 2,420.26                                  |
|  | <b>4,141.54</b>                          | <b>(1,721.28)</b>                              | <b>-</b>             | <b>2,420.26</b>                           |
| <b>Net deferred tax liabilities/(assets)</b>   | <b>1,936.47</b>                          | <b>(916.01)</b>                                | <b>(306.74)</b>      | <b>713.72</b>                             |
|  | Opening<br>balance<br>as on 1 April 2020 | Recognised<br>in statement<br>of profit & loss | Recognised<br>in OCI | Closing<br>balance as on<br>31 March 2021 |
| <b>Deferred tax assets</b>   |  |  |                      |   |
| Provision for employees benefits   | 1,155.58                                 | (38.14)  | (81.77)              | 1,035.67                                  |
| Provision for doubtful debts and 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 (assets)/liabilities</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.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### 16. Trade payables

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Dues of micro enterprises and small enterprises<br>(refer note no 43 for details of dues to micro and small enterprises) | 1,452.66               | 911.89                 |
| Dues of creditors other than micro enterprises and small enterprises<br>(including acceptances)                          | 26,362.14              | 18,838.03              |
|  | <b>27,814.80</b>       | <b>19,749.92</b>       |

Refer note no 38 for related party balances.

### 17. Lease liabilities

|                                      | As at<br>31 March 2021 |              | As at<br>31 March 2020 |               |
|--------------------------------------|------------------------|--------------|------------------------|---------------|
|                                      | Non<br>Current         | Current      | Non<br>Current         | Current       |
| Lease liabilities (refer note no 39) | 892.97                 | 68.26        | 7.60                   | 139.58        |
|                                      | <b>892.97</b>          | <b>68.26</b> | <b>7.60</b>            | <b>139.58</b> |

### 18. Other financial liabilities

| Particulars                           | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---------------------------------------|------------------------|------------------------|
| Payables to capital creditors         | 339.38                 | 286.05                 |
| Deposits from dealers                 | 393.67                 | 422.48                 |
| Interest accrued on borrowings        | 17.51                  | 24.51                  |
| Interest accrued on security deposits | 36.07                  | 54.36                  |
|                                       | <b>786.63</b>          | <b>787.40</b>          |

### 19. Other current liabilities

| Particulars               | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---------------------------|------------------------|------------------------|
| Advance from customers    | 222.10                 | 161.23                 |
| Statutory liabilities     | 1,940.06               | 649.28                 |
| Other current liabilities | 4.10                   | 3.93                   |
|                           | <b>2,166.26</b>        | <b>814.44</b>          |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### 20. Revenue from operations

|                                | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--------------------------------|-----------------------------|-----------------------------|
| <b>Revenue from operations</b> |                             |                             |
| Sale of goods                  | 1,05,762.00                 | 1,03,498.30                 |
| <b>Other operating revenue</b> |                             |                             |
| Job work income                | 1,350.99                    | 1,386.73                    |
| Export incentives              | 354.94                      | 355.36                      |
| Scrap sales                    | 1,217.61                    | 1,398.83                    |
| <b>Revenue from operations</b> | <b>1,08,685.54</b>          | <b>1,06,639.22</b>          |

Refer note no. 42 for the disclosure in relation to Ind AS 115

### 21. Other income

|  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Interest income on                               |                             |                             |
| - Fixed deposits with banks                      | 105.02                      | 59.36                       |
| - Others   | 68.83                       | 69.18                       |
| Management support income                        | 712.71                      | 631.24                      |
| Dividend income on investment in subsidiary      | 443.70                      | 318.75                      |
| Commission income                                | 401.67                      | 449.02                      |
| Foreign exchange fluctuation (net)               | -                           | 113.54                      |
| Excess provision no longer required written back | 285.87                      | 443.45                      |
| Miscellaneous income                             | 353.25                      | 391.51                      |
|  | <b>2,371.05</b>             | <b>2,476.05</b>             |

### 22. Cost of material consumed

|                                 | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---------------------------------|-----------------------------|-----------------------------|
| Opening stock                   | 2,052.25                    | 1,810.54                    |
| Add: purchases                  | 36,249.10                   | 34,189.01                   |
| Less: closing stock             | (1,987.37)                  | (2,052.25)                  |
| <b>Raw material consumption</b> | <b>36,313.98</b>            | <b>33,947.30</b>            |

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

|                             | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|-----------------------------|-----------------------------|-----------------------------|
| Purchases of stock-in-trade | 1,410.18                    | 1,580.42                    |
|                             | <b>1,410.18</b>             | <b>1,580.42</b>             |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

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

|                            | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|----------------------------|-----------------------------|-----------------------------|
| <b>Opening stock</b>       |                             |                             |
| Work-in-progress           | 5,525.75                    | 5,940.99                    |
| Finished products          | 8,556.81                    | 10,144.85                   |
| Trading goods              | 15.01                       | 13.57                       |
| Reusable scrap             | -                           | 142.79                      |
|                            | <b>14,097.57</b>            | <b>16,242.20</b>            |
| <b>Less: Closing stock</b> |                             |                             |
| Work-in-progress           | 4,506.93                    | 5,525.75                    |
| Finished products          | 7,745.83                    | 8,556.81                    |
| Trading goods              | 22.49                       | 15.00                       |
|                            | <b>12,275.25</b>            | <b>14,097.56</b>            |
|                            | <b>1,822.32</b>             | <b>2,144.64</b>             |

### 25. Employee benefits expenses

|   | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|-----------------------------|-----------------------------|
| Salaries, wages and bonus                 | 24,547.40                   | 23,972.78                   |
| Contribution to provident and other funds | 1,438.30                    | 1,492.00                    |
| Gratuity expense (refer note no. 40)      | 717.17                      | 657.42                      |
| Staff welfare expenses                    | 2,223.19                    | 2,385.32                    |
|   | <b>28,926.06</b>            | <b>28,507.52</b>            |

### 26. Finance cost

|              | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--------------|-----------------------------|-----------------------------|
| Interest     |                             |                             |
| - to banks   | 41.74                       | 82.63                       |
| - to others* | 200.48                      | 399.37                      |
|              | <b>242.22</b>               | <b>482.00</b>               |

\*including interest on intercompany deposits (refer note 38)



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

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

|  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipments | 7,683.69                    | 8,638.85                    |
| Depreciation of right-of-use assets            | 177.65                      | 223.30                      |
| Amortisation of intangible assets              | 97.26                       | 0.60                        |
|  | <b>7,958.60</b>             | <b>8,862.75</b>             |

### 28. Other expenses

|   | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|-----------------------------|-----------------------------|
| Consumption of stores and spares                            | 10,058.61                   | 9,915.83                    |
| Sub-contracting expenses                                    | 1,662.77                    | 1,495.28                    |
| Power and fuel  | 6,878.00                    | 7,086.24                    |
| Freight and forwarding charges                              | 1,312.38                    | 1,147.37                    |
| Rent (refer note no.39)                                     | 83.96                       | 99.28                       |
| Rates and taxes   | 234.49                      | 242.69                      |
| Insurance   | 216.20                      | 162.68                      |
| Repairs and maintenance                                     |                             |                             |
| Plant and machinery   | 812.59                      | 481.25                      |
| Buildings   | 189.78                      | 147.75                      |
| Others  | 526.70                      | 618.42                      |
| Selling, administration and distribution expense            | 300.55                      | 347.57                      |
| Management support charges (refer note no.45)               | 2,683.35                    | 2,654.11                    |
| Royalty and trade-mark license fees                         | 2,075.94                    | 2,004.26                    |
| Provision for warranties (net of reversals)                 | 14.77                       | 43.18                       |
| Travelling and conveyance                                   | 124.39                      | 494.80                      |
| Communication costs   | 55.24                       | 90.71                       |
| Corporate social responsibility expense (refer note no.48)  | 198.24                      | 252.21                      |
| Printing and stationery                                     | 69.33                       | 71.79                       |
| Legal and professional fees                                 | 522.43                      | 939.83                      |
| Auditors remuneration (refer details below)*                | 54.50                       | 62.00                       |
| Foreign exchange fluctuation (net)                          | 230.87                      | -                           |
| Bad debts/advances written off                              | 8.86                        | 41.81                       |
| Provision for doubtful debts and advances                   | 54.81                       | -                           |
| Loss on sale/discard of property, plant and equipment (net) | 140.42                      | 170.26                      |
| Environmental maintenance and remediation                   | 239.20                      | 190.15                      |
| Bank charges  | 76.17                       | 59.04                       |
| Miscellaneous expenses                                      | 1,227.18                    | 1,462.16                    |
|   | <b>30,051.73</b>            | <b>30,280.67</b>            |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

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

|                       | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|-----------------------|-----------------------------|-----------------------------|
| - Statutory audit fee | 25.00                       | 25.00                       |
| - Limited reviews     | 27.00                       | 27.00                       |
| - Tax audit fee       | 2.50                        | 2.50                        |
| - Others              | -                           | 7.50                        |
|                       | <b>54.50</b>                | <b>62.00</b>                |

### 29. Earnings per share

|   | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|-----------------------------|-----------------------------|
| Profit for the year as per Statement of Profit and Loss                       | <b>76.62</b>                | 2,983.66                    |
| Weighted average number of equity shares in calculating basic and diluted EPS | <b>5,56,32,130</b>          | 5,56,32,130                 |
| Nominal value of shares (₹)   | <b>10.00</b>                | 10.00                       |
| Earning per share - basic and diluted (₹)                                     | <b>0.14</b>                 | 5.36                        |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### 30. Tax expense

|                           | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---------------------------|-----------------------------|-----------------------------|
| Current tax               | 1,761.32                    | 1,138.03                    |
| Prior period tax expenses | (306.76)                    | 104.30                      |
| Deferred tax              | (1,474.68)                  | (916.02)                    |
|                           | <b>(20.12)</b>              | <b>326.31</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:

|  |       |          |
|--|-------|----------|
| Accounting profit before income tax  | 56.50 | 3,309.97 |
| At country's statutory income tax rate of 25.168% (previous year: 25.168%) | 14.22 | 833.05   |
| Tax effect on exempt income (dividend)                                     | -     | (80.22)  |

#### Tax effect on permanent non deductible expenses :

|  |                |               |
|--|----------------|---------------|
| Effect of change in tax rate                           | -              | (541.75)      |
| Expenses disallowed under Income tax act, 1961         | 43.04          | 68.97         |
| Disallowed expense under Rule 14A of Income tax act    | 1.30           | 13.00         |
| Expenses allowance for which was done in earlier years | (41.97)        | 2.46          |
| Others   | (36.71)        | 30.80         |
|  | <b>(20.12)</b> | <b>326.31</b> |

#### Tax rate

|                |                |                |
|----------------|----------------|----------------|
| Base rate      | 22.000%        | 22.000%        |
| Surcharge      | 2.200%         | 2.200%         |
| Education cess | 0.968%         | 0.968%         |
| <b>Total</b>   | <b>25.168%</b> | <b>25.168%</b> |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### 31. 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.

#### (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.
- The fair values of the unquoted investments in Shares of Vyshali Energy Private Limited is shown at cost as in accordance with agreement with parties.
- Loans are shown at cost as the same are given to government authorities till perpetuity.

### 32. Financial risk management

#### i) Financial instruments by category

| Particulars   | As at 31 March 2021 |       |                  | As at 31 March 2020 |       |                  |
|---|---------------------|-------|------------------|---------------------|-------|------------------|
|   | FVTPL               | FVOCI | Amortised cost   | FVTPL               | FVOCI | Amortised cost   |
| <b>Financial assets</b>   |                     |       |                  |                     |       |                  |
| Investments   | -                   | -     | 7.43             | -                   | -     | 6.94             |
| Loans   | -                   | -     | 1,326.99         | -                   | -     | 1,350.09         |
| Trade receivables   | -                   | -     | 25,739.71        | -                   | -     | 18,370.23        |
| Cash and cash equivalents   | -                   | -     | 12,970.89        | -                   | -     | 2,869.92         |
| Other bank balances   | -                   | -     | -                | -                   | -     | 2,000.00         |
| Other financial assets  | -                   | -     | 1,652.27         | -                   | -     | 1,615.91         |
| <b>Total</b>  | -                   | -     | <b>41,697.29</b> | -                   | -     | <b>26,213.09</b> |
| <b>Financial liabilities</b>  |                     |       |                  |                     |       |                  |
| Borrowings (including interest accrued on borrowings )                  | -                   | -     | 17.51            | -                   | -     | 24.51            |
| Trade payable   | -                   | -     | 27,814.80        | -                   | -     | 19,749.92        |
| Lease Liabilities   | -                   | -     | 961.23           | -                   | -     | 147.18           |
| Other financial liabilities (excluding interest accrued on borrowings ) | -                   | -     | 769.11           | -                   | -     | 762.89           |
| <b>Total</b>  | -                   | -     | <b>29,562.65</b> | -                   | -     | <b>20,684.50</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 2021

(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 counter party 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,
- loans & 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 counter parties, 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 2021 | 31 March 2020 |
| A: Low        | Cash and cash equivalents                         | 12,970.89     | 2,869.92      |
|               | Other financial assets                            | 1,652.27      | 1,615.91      |
|               | Trade receivables (gross of expected credit loss) | 25,813.91     | 18,446.40     |
|               | Loan  | 1,326.99      | 1,350.09      |
| B: High       | Trade receivables                                 | 205.72        | 172.07        |

#### 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 2021

(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<br>31 March 2021 |                 | As at<br>31 March 2020 |                 |
|--|------------------------|-----------------|------------------------|-----------------|
|  | >365<br>Days           | 0 - 365<br>Days | >365<br>Days           | 0 - 365<br>Days |
| Gross amount of trade receivables where no default (as defined above) has occurred | 205.72                 | 25,813.90       | 172.07                 | 18,446.40       |
| Expected loss rate (in %)  | 100%                   | 0.29%           | 100%                   | 0.41%           |
| Expected credit loss( loss allowance provision)                                    | 205.72                 | 74.20           | 172.07                 | 76.17           |

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

| Reconciliation of loss allowance                    | Trade receivable |
|---|------------------|
| <b>Loss allowance on 1 April 2019</b>               | <b>285.60</b>    |
| Impairment loss recognised during the year          | (37.36)          |
| Amounts written off                                 | -                |
| <b>Loss allowance on 1 April 2020</b>               | <b>248.24</b>    |
| Impairment loss recognised/reversed during the year | 54.81            |
| Amounts written off                                 | (23.13)          |
| <b>Loss allowance as on 31 March 2021</b>           | <b>279.92</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 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 2021

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

| 31 March 2021               | Less than<br>1 year | 1-3 year      | 3-5 year      | More than<br>5 years | Total            |
|-----------------------------|---------------------|---------------|---------------|----------------------|------------------|
| Trade payable               | 27,814.80           | -             | -             | -                    | 27,814.80        |
| Lease liabilities           | 68.26               | 131.83        | 209.39        | 551.76               | 961.24           |
| Other financial liabilities | 786.63              | -             | -             | -                    | 786.63           |
| <b>Total</b>                | <b>28,669.69</b>    | <b>131.83</b> | <b>209.39</b> | <b>551.76</b>        | <b>29,562.67</b> |

| 31 March 2020               | Less than<br>1 year | 1-3 year    | 3-5 year | More than<br>5 years | Total            |
|-----------------------------|---------------------|-------------|----------|----------------------|------------------|
| Trade payable               | 19,749.92           | -           | -        | -                    | 19,749.92        |
| Lease liabilities           | 139.58              | 7.60        | -        | -                    | 147.18           |
| Other financial liabilities | 787.40              | -           | -        | -                    | 787.40           |
| <b>Total</b>                | <b>20,676.90</b>    | <b>7.60</b> | <b>-</b> | <b>-</b>             | <b>20,684.50</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 any 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<br>31 March 2021 | As at<br>31 March 2020 |
|---|-----|------------------------|------------------------|
| <b>Financial liabilities</b>                          |     |                        |                        |
| Trade payables  | USD | 1,122.36               | 829.44                 |
|   | EUR | 1,935.90               | 1,170.52               |
|   | GBP | 166.87                 | 542.64                 |
|   | JPY | 2.70                   | 17.75                  |
|   | SEK | 21.24                  | 8.38                   |
|   | SGD | -                      | 0.34                   |
|   |     | <b>3,249.07</b>        | <b>2,569.07</b>        |
| <b>Financial assets</b>                               |     |                        |                        |
| Trade receivables                                     | USD | 5,783.21               | 3,122.00               |
|   | EUR | 527.95                 | 156.86                 |
|   | GBP | 84.92                  | -                      |
|   |     | <b>6,396.08</b>        | <b>3,278.86</b>        |
| <b>Net exposure to foreign currency risk (assets)</b> |     | <b>3,147.01</b>        | <b>709.79</b>          |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(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<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>USD sensitivity</b>                               |                        |                        |
| INR/USD- increase by 500 bp (previous year: 500 bp)* | 233.04                 | 114.63                 |
| INR/USD- decrease by 500 bp (previous year: 500 bp)* | (233.04)               | (114.63)               |
| <b>EUR sensitivity</b>                               |                        |                        |
| INR/EUR- increase by 500 bp (previous year: 500 bp)* | (70.40)                | (50.68)                |
| INR/EUR- decrease by 500 bp (previous year: 500 bp)* | 70.40                  | 50.68                  |
| <b>GBP sensitivity</b>                               |                        |                        |
| INR/GBP- increase by 500 bp (previous year: 500 bp)* | (4.10)                 | (27.13)                |
| INR/GBP- decrease by 500 bp (previous year: 500 bp)* | 4.10                   | 27.13                  |
| <b>JPY sensitivity</b>                               |                        |                        |
| INR/JPY- increase by 500 bp (previous year: 500 bp)* | (0.14)                 | (0.89)                 |
| INR/JPY- decrease by 500 bp (previous year: 500 bp)* | 0.14                   | 0.89                   |
| <b>SEK sensitivity</b>                               |                        |                        |
| INR/SEK- increase by 500 bp (previous year: 500 bp)* | (1.06)                 | (0.42)                 |
| INR/SEK- decrease by 500 bp (previous year: 500 bp)* | 1.06                   | 0.42                   |
| <b>SGD sensitivity</b>                               |                        |                        |
| INR/SGD- increase by 500 bp (previous year: 500 bp)* | -                      | (0.02)                 |
| INR/SGD- decrease by 500 bp (previous year: 500 bp)* | -                      | 0.02                   |

\* Holding all other variables constant

### b) Interest rate risk

#### i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2021, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits pay fixed interest rates.

#### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

| Particulars             | As at<br>31 March 2021 | As at<br>31 March 2020 |
|-------------------------|------------------------|------------------------|
| Variable rate borrowing | -                      | -                      |
| Fixed rate borrowing    | -                      | -                      |
| <b>Total borrowings</b> | -                      | -                      |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

| Particulars                                     | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <b>Interest sensitivity*</b>                    |                        |                        |
| Interest rates – increase by 50 bp basis points | -                      | -                      |
| Interest rates – decrease by 50 bp basis points | -                      | -                      |
| * Holding all other variables constant          |                        |                        |

### 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 any significant investments in equity instruments which create an exposure to price risk.

## 33. 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.

|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Total debt   | -                      | -                      |
| Less: Cash and bank balances                         | 12,970.89              | 2,869.92               |
| Net debt   | (12,970.89)            | (2,869.91)             |
| Total equity (as shown on the face of balance sheet) | 75,732.14              | 75,412.38              |
| <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.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### 34. Capital commitments

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Property, plant and equipment (net of advances paid) | 1,783.52               | 1,174.64               |
|  | <b>1,783.52</b>        | <b>1,174.64</b>        |

### 35. Assets pledged as security

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

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2018 |
|--|------------------------|------------------------|
| <b>Current assets</b>  |                        |                        |
| Inventories, cash and cash equivalents and trade receivables | 56,049.08              | 39,683.55              |
| <b>Total current assets pledged as security</b>              | <b>56,049.08</b>       | <b>39,683.55</b>       |

### 36. 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 ₹ 13,358.89 lacs (previous year ₹ 10,986.76 lacs). No other single customer represents 10% or more to the revenue of the Company for financial year ended 31 March 2021 and 31 March 2020.

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

| Particulars     | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|-----------------|-----------------------------|-----------------------------|
| India           | 90,130.87                   | 93,267.66                   |
| Other countries | 15,631.13                   | 10,230.64                   |
|                 | <b>1,05,762.00</b>          | <b>1,03,498.30</b>          |

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

| Particulars     | As at<br>31 March 2021 | As at<br>31 March 2020 |
|-----------------|------------------------|------------------------|
| India           | 18,434.95              | 14,900.56              |
| Other countries | 7,304.76               | 3,469.67               |
|                 | <b>25,739.71</b>       | <b>18,370.23</b>       |

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



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### 37. Contingent liabilities

| Particulars   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <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                                 | <b>16.43</b>           | 16.43                  |
| (b) Show cause notices on issues yet to be adjudicated  | <b>898.75</b>          | 910.78                 |
| <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                                 | <b>475.48</b>          | 524.01                 |
| <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                                 | <b>1,183.89</b>        | 750.08                 |
| <b>(iv) 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 | <b>449.02</b>          | 449.02                 |
| (b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods                                 | <b>2,878.71</b>        | 2,922.82               |
| (c) Show cause notices on issues yet to be adjudicated  | <b>0.14</b>            | 28.55                  |
| <b>(v) Others</b>   |                        |                        |
| (a) Employee related cases  | <b>177.22</b>          | 146.01                 |

- 37. (b)** The Company has received an 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 net impact of the Order on the Company could be approximately ₹ 4,275 lacs. The Company has considered a provision of the complete amount in its books towards any such liability based on generally accepted accounting principles. The above impact of ₹ 4,275 lacs, has been disclosed as exceptional item in these financial results. Irrespective of the heads under which they appear or their nomenclature/heading/title/narration, etc., such provisions do not make the Company liable for payment since liability is disputed as the Company has filed a review petition against the said Order before the Hon'ble Supreme Court on 15 June 2021. Based on legal advice obtained, the Company's petition has a merit and the estimate of the liability may undergo a revision based on the outcome of the review petition.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### 38. 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. Mukul Gupta, Non-executive Director (till 12 February 2020)
- Mr. Sundareshan Kanakku Chembakaraman Pillai, Non-executive Director
- Mr. Mahendra Kumar Goyal, Non-executive Director (till 31 October 2019)
- Ms. Nalini Jolly (from 13 August 2019)

#### (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 Ayutthaya, (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 Spira, MII
- 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 (India)
- Federal-Mogul Ignition Products India Limited (India)
- Federal-Mogul Powertrain Solutions India Private Limited (India)
- Federal Mogul Anand Sealing India Limited (India)
- Motocare India Private Limited (India)
- Federal-Mogul Motorparts India Limited (India)
- Tenneco Clean Air India Private Limited



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

(ii) Those transactions along with related balances as at 31 March 2021 and 31 March 2020 are presented in the following table:

Rs. in lacs

| Particulars   | Ultimate Holding Company<br>Tennoco Inc. (USA) |                                  |
|---|--|----------------------------------|
|   | 1 April 2020 to<br>31 March 2021               | 1 April 2019 to<br>31 March 2020 |
| Expenses incurred by Company                              | <b>62.47</b>                                   | 73.10                            |
| Balance outstanding as at the end of the year receivables | <b>132.27</b>                                  | 69.14                            |

Rs. in lacs

| Particulars   | Fellow Subsidiaries                            |                                  |   |                                  |   |                                  |  |                                  |
|---|--|----------------------------------|---|----------------------------------|---|----------------------------------|--|----------------------------------|
|   | Federal-Mogul<br>Bradford Limited<br>(Germany) |                                  | Federal-Mogul<br>Burscheid GMBH,<br>(Germany) |                                  | Federal Mogul<br>Powertrain<br>Otomotiv A |                                  | Federal Mogul<br>Motorparts LLC<br>(China) |                                  |
|   | 1 April 2020 to<br>31 March 2021               | 1 April 2019 to<br>31 March 2020 | 1 April 2020 to<br>31 March 2021              | 1 April 2019 to<br>31 March 2020 | 1 April 2020 to<br>31 March 2021          | 1 April 2019 to<br>31 March 2020 | 1 April 2020 to<br>31 March 2021           | 1 April 2019 to<br>31 March 2020 |
| Sales #   | -  | -                                | <b>0.07</b>                                   | -                                | <b>139.02</b>                             | -                                | <b>4,849.93</b>                            | 3,960.29                         |
| Purchase of raw material #                                | <b>906.67</b>                                  | 678.21                           | <b>469.04</b>                                 | 374.72                           | -   | -                                | -  | -                                |
| Purchase of property, plant and equipment                 | -  | -                                | <b>579.15</b>                                 | 462.88                           | -   | -                                | -  | -                                |
| Expenses incurred on Company's behalf                     | -  | -                                | <b>64.23</b>                                  | 107.83                           | -   | -                                | -  | -                                |
| Expenses incurred by Company                              | -  | -                                | <b>94.34</b>                                  | 3.06                             | -   | -                                | -  | -                                |
| Royalty Expenses  | -  | -                                | <b>601.65</b>                                 | 706.56                           | -   | -                                | -  | -                                |
| Balance outstanding as at the end of the year (payables)  | -  | (354.82)                         | <b>(465.81)</b>                               | (630.40)                         | -   | -                                | -  | (20.47)                          |
| Balance outstanding as at the end of the year receivables | -  | -                                | <b>103.96</b>                                 | 9.55                             | <b>44.92</b>                              | -                                | <b>4,272.83</b>                            | 2,000.89                         |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

Rs. in lacs

| Particulars   | Fellow Subsidiaries                          |                                  |   |                                  |   |                                  |  |                                  |
|---|--|----------------------------------|---|----------------------------------|---|----------------------------------|--|----------------------------------|
|   | Federal-Mogul<br>Nurnberg, GMBH<br>(Germany) |                                  | Federal-Mogul<br>Thailand Manufacturina<br>Ayutthaya (Thailand) |                                  | Federal-Mogul<br>Holding Deutschland<br>(Germany) |                                  | Federal-Mogul<br>Naberezhnye<br>Chelny |                                  |
|   | 1 April 2020 to<br>31 March 2021             | 1 April 2019 to<br>31 March 2020 | 1 April 2020 to<br>31 March 2021                                | 1 April 2019 to<br>31 March 2020 | 1 April 2020 to<br>31 March 2021                  | 1 April 2019 to<br>31 March 2020 | 1 April 2020 to<br>31 March 2021       | 1 April 2019 to<br>31 March 2020 |
| Sales #   | <b>4.78</b>                                  | 23.23                            | <b>4,023.38</b>   | 837.30                           | -   | -                                | <b>721.99</b>                          | 538.03                           |
| Purchase of raw<br>material #                                   | <b>41.94</b>                                 | 94.74                            | -   | -                                | -   | -                                | -                                      | -                                |
| Purchase of property,<br>plant and equipment                    | <b>1,160.70</b>                              | 23.25                            | -   | -                                | -   | -                                | -                                      | -                                |
| Management support<br>charges paid                              | -  | -                                | -   | -                                | <b>2,683.35</b>                                   | 2,308.50                         | -                                      | -                                |
| Expenses incurred on<br>Company's behalf                        | <b>7.11</b>                                  | -                                | -   | -                                | -   | -                                | <b>0.55</b>                            | -                                |
| Royalty expense   | <b>964.74</b>                                | 866.22                           | -   | -                                | -   | -                                | -                                      | -                                |
| Balance outstanding<br>as at the end of the<br>year (payable)   | <b>(412.18)</b>                              | (464.77)                         | -   | -                                | <b>(528.56)</b>                                   | -                                | -                                      | -                                |
| Balance outstanding<br>as at the end of the<br>year receivables | <b>22.82</b>                                 | 17.79                            | <b>576.10</b>   | 73.68                            | -   | 349.40                           | <b>295.85</b>                          | 94.51                            |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

| Particulars   | Fellow subsidiaries           |                               |                                       |                               |                               |                               |                               |                               |                               |                               |                           | Rs. in lacs |         |
|---|-------------------------------|-------------------------------|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------|-------------|---------|
|   | Federal Mogul S De RI De Cv   |                               | Federal Mogul Products Limited, (U.K) |                               | Federal Mogul Friedberg GMBH  |                               | Federal Mogul Ltd-UK          |                               | Federal Mogul Powertrain LLC  |                               | Other fellow subsidiaries |             |         |
|   | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021         | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 |                           |             |         |
|   |                               |                               |                                       |                               |                               |                               |                               |                               |                               |                               |                           |             |         |
| Sales #   | -                             | 16.27                         | 84.14                                 | -                             | -                             | -                             | -                             | -                             | -                             | 7.36                          | -                         | 71.02       | 0.41    |
| Purchase of raw material #                                | 6.48                          | -                             | 364.09                                | 333.40                        | 44.96                         | 131.56                        | -                             | -                             | -                             | 259.81                        | -                         | 25.52       | 167.91  |
| Purchase of property, plant and equipment                 | -                             | -                             | -                                     | 28.96                         | -                             | -                             | -                             | -                             | -                             | -                             | -                         | -           | -       |
| Trade mark & license fees                                 | -                             | -                             | -                                     | -                             | -                             | -                             | -                             | 129.71                        | 141.95                        | -                             | -                         | -           | -       |
| Expenses incurred on Company's behalf                     | -                             | -                             | -                                     | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                         | 0.61        | -       |
| Expenses incurred by Company                              | -                             | 0.89                          | -                                     | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                         | -           | -       |
| Royalty expense   | -                             | -                             | 298.52                                | 264.32                        | -                             | -                             | -                             | -                             | -                             | -                             | -                         | -           | -       |
| Balance outstanding as at the end of the year (payable)   | (3.21)                        | (1.21)                        | (175.42)                              | (292.74)                      | -                             | (58.34)                       | (40.19)                       | -                             | -                             | (201.21)                      | -                         | (25.34)     | (34.74) |
| Balance outstanding as at the end of the year receivables | -                             | 17.06                         | 85.00                                 | -                             | -                             | -                             | -                             | -                             | -                             | 7.26                          | -                         | (10.62)     | (37.67) |



**Notes to the Standalone Financial Statements for the year ended 31 March 2021**  
(All amounts in Rs. Lacs, unless otherwise stated)

Rs. in lacs

| Particulars   | Fellow subsidiaries                                |  |                               |                               |                               |  |  |                               |   |                               |                               |                               |            |            |
|---|--|--|-------------------------------|-------------------------------|-------------------------------|--|--|-------------------------------|---|-------------------------------|-------------------------------|-------------------------------|------------|------------|
|   | Federal Mogul Anand Bearings India Limited (India) | Federal Mogul Ignition Products India Limited (India)* |                               | Tenneco Clean Air             |                               | Federal Mogul Powertrain Solutions India Private Ltd (India) | Motocare India Private Limited (India) |                               | Federal Mogul Anand Sealing India Limited |                               | Grand Total                   |                               |            |            |
|   | 1 April 2020 to 31 March 2021                      | 1 April 2020 to 31 March 2021                          | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021                                | 1 April 2019 to 31 March 2020          | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020             | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 |            |            |
| Sales #   | -  | -  | -                             | -                             | -                             | -  | -                                      | 4,508.45                      | 4,892.60                                  | -                             | -                             | 14,410.13                     | 10,268.13  |            |
| Purchase of raw material, intermediaries and finished goods # | -  | -  | -                             | -                             | -                             | -  | -                                      | -                             | -   | -                             | -                             | 2,118.52                      | 1,780.54   |            |
| Expenses incurred on Company's behalf                         | 17.44  | 19.19  | -                             | -                             | 82.59                         | -  | 13.76                                  | 16.76                         | 131.35                                    | 724.74                        | -                             | 10.84                         | 317.64     | 879.36     |
| Expenses incurred by Company (Expenses Debited by us)         | 7.12   | 18.46  | -                             | 0.91                          | 99.26                         | -  | 185.78                                 | 161.90                        | 0.36                                      | 607.40                        | 162.73                        | 48.11                         | 549.59     | 840.73     |
| Inter-corporate deposit (ICD) taken                           | -  | -  | -                             | -                             | 2,200.00                      | -  | -                                      | 4,400.00                      | -   | -                             | -                             | -                             | -          | 4,400.00   |
| Inter-corporate deposit (ICD) repaid                          | -  | -  | -                             | 300.00                        | 2,200.00                      | -  | -                                      | 6,400.00                      | -   | -                             | -                             | -                             | -          | 6,700.00   |
| Interest on ICD   | -  | -  | -                             | 5.91                          | -                             | -  | -                                      | 8.05                          | -   | -                             | -                             | -                             | -          | 13.96      |
| Balance outstanding as at the end of the year (payable)       | -  | (56.59)  | 0.13                          | (0.26)                        | (82.59)                       | -  | (535.43)                               | (393.79)                      | (189.51)                                  | -                             | (26.91)                       | -                             | (2,686.23) | (2,308.13) |
| Balance outstanding as at the end of the year receivables     | 55.45  | 48.32  | 10.88                         | 10.88                         | 99.26                         | -  | 549.86                                 | 396.57                        | 561.44                                    | 165.69                        | 44.70                         | 14.30                         | 6,719.69   | 3,160.97   |
| Purchase of property, plant and equipment                     | -  | -  | -                             | -                             | -                             | -  | -                                      | -                             | -   | -                             | -                             | -                             | 1,739.85   | 515.09     |
| Trade mark & license fees                                     | -  | -  | -                             | -                             | -                             | -  | -                                      | -                             | -   | -                             | -                             | -                             | 129.71     | 141.95     |
| Management support charges paid                               | -  | -  | -                             | -                             | -                             | -  | -                                      | -                             | -   | -                             | -                             | -                             | 2,683.35   | 2,308.50   |
| Royalty expense   | -  | -  | -                             | -                             | -                             | -  | -                                      | -                             | -   | -                             | -                             | -                             | 1,864.90   | 1,837.10   |
| Interest income   | -  | -  | -                             | -                             | 14.92                         | -  | -                                      | -                             | -   | -                             | -                             | -                             | 14.92      | -          |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

Rs. in lacs

| Particulars  | Subsidiary<br>Federal-Mogul TPR India Limited |                                  |
|--|---|----------------------------------|
|  | 1 April 2020 to<br>31 March 2021              | 1 April 2019 to<br>31 March 2020 |
| Sales #  | <b>1,428.14</b>                               | 956.50                           |
| Purchase of raw material #                                 | <b>5,886.70</b>                               | 5,255.07                         |
| Sale of property, plant and equipment                      | <b>309.27</b>                                 | -                                |
| Dividend received  | <b>443.70</b>                                 | 318.75                           |
| Management support charges received                        | <b>581.50</b>                                 | 631.24                           |
| Job work income  | <b>1,350.99</b>                               | 1,386.73                         |
| Rent income  | <b>99.08</b>                                  | 99.08                            |
| Sole selling commission received                           | <b>401.67</b>                                 | 449.02                           |
| Inter-corporate deposit (ICD) received                     | <b>2,200.00</b>                               | 1,300.00                         |
| Inter-corporate deposit (ICD) re-paid                      | <b>2,200.00</b>                               | 5,660.00                         |
| Interest expense on ICD                                    | <b>14.92</b>                                  | 146.36                           |
| Balance outstanding as at the end of the year (payable )   | <b>(239.96)</b>                               | (1,604.63)                       |
| Balance outstanding as at the end of the year (receivable) | <b>36.28</b>                                  | -                                |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

| Key Managerial Personnel* |                               |                               |                               |                               |                               | Rs in lacs                    |                               |
|---------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Particulars               | Mr Vinod Kumar Hans           |                               | Mr Manish Chadha              |                               | Mr Khalid Iqbal Khan          |                               | Mr Rajesh Sinha               |
|                           | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2019 to 31 March 2020 |
| Remuneration              | 213.40                        | 170.31                        | 94.73                         | 90.91                         | 97.26                         | 88.27                         | 99.65                         |
|                           |                               |                               |                               |                               |                               |                               | Total                         |
|                           |                               |                               |                               |                               |                               |                               | 511.63                        |
|                           |                               |                               |                               |                               |                               |                               | 449.14                        |

### Non-executive directors

| Particulars            | Mr Krishnamurthy Naga Subramaniam |                               | Mr Mukul Gupta                |                               | Sundareshan Kanakku Chembakaraman Pillai |                               | Mahendra Kumar Goyal          |
|------------------------|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|--|-------------------------------|-------------------------------|
|                        | 1 April 2020 to 31 March 2021     | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021            | 1 April 2019 to 31 March 2020 | 1 April 2019 to 31 March 2020 |
| Director's sitting fee | 8.60                              | 9.60                          | -                             | 12.20                         | 8.80                                     | 2.60                          | 0.40                          |
|                        |                                   |                               |                               |                               |  |                               | Total                         |
|                        |                                   |                               |                               |                               |  |                               | Ms Nalin Jolly                |
|                        |                                   |                               |                               |                               |  |                               | 1 April 2019 to 31 March 2020 |
|                        |                                   |                               |                               |                               |  |                               | 1 April 2020 to 31 March 2021 |
|                        |                                   |                               |                               |                               |  |                               | 22.40                         |
|                        |                                   |                               |                               |                               |  |                               | 24.80                         |

# All sales and purchase above are inclusive of GST (wherever applicable). Sales are net of the sales return.

\*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.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### 39. 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 2021

| Particulars                      | Category of ROU asset |                 |                  | Total           |
|----------------------------------|-----------------------|-----------------|------------------|-----------------|
|                                  | Leasehold land        | Buildings       | Office Equipment |                 |
| <b>Gross carrying value</b>      |                       |                 |                  |                 |
| <b>As at 01 April 2019</b>       | 362.87                | -               | -                | 362.87          |
| Additions/transfers              | -                     | 348.90          | 8.39             | 357.29          |
| Disposals                        | -                     | -               | -                | -               |
| <b>As at 31 March 2020</b>       | 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> |
| <b>Accumulated depreciation</b>  |                       |                 |                  |                 |
| As at 01 April 2019              | 12.84                 | -               | -                | 12.84           |
| Depreciation charge for the year | 4.28                  | 216.43          | 2.59             | 223.30          |
| Disposals                        | -                     | -               | -                | -               |
| <b>As at 31 March 2020</b>       | <b>17.12</b>          | <b>216.43</b>   | <b>2.59</b>      | <b>236.14</b>   |
| 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>   |
| <b>Net carrying value</b>        |                       |                 |                  |                 |
| <b>As at 31 March 2020</b>       | <b>345.75</b>         | <b>132.47</b>   | <b>5.80</b>      | <b>484.02</b>   |
| <b>As at 31 March 2021</b>       | <b>341.47</b>         | <b>940.35</b>   | <b>3.22</b>      | <b>1,285.03</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 2021

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

#### The following is the movement in lease liabilities for the year ended 31 March 2020

| Particulars                          | As at<br>31 March 2020 |
|--------------------------------------|------------------------|
| As at 01 April 2019                  | 357.29                 |
| Additions                            | -                      |
| Finance cost accrued during the year | 20.87                  |
| Deletions                            | -                      |
| Payment of lease liabilities         | (230.98)               |
|                                      | <b>147.18</b>          |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

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

| Particulars                          | As at<br>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<br>31 March 2021 | As at<br>31 March 2020 |
|----------------------|------------------------|------------------------|
| Less than one year   | <b>146.87</b>          | 143.69                 |
| One to five years    | <b>580.18</b>          | 8.46                   |
| More than five years | <b>638.25</b>          | -                      |

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<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Depreciation expense of right-of-use assets                        | <b>177.65</b>               | 223.30                      |
| Interest expense on lease liabilities                              | <b>35.01</b>                | 20.87                       |
| Expense relating to short-term leases (included in other expenses) | <b>83.96</b>                | 99.28                       |
|  | <b>296.63</b>               | 343.45                      |

### (ii) Lease related disclosures

- 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.
- Total cash outflow for leases for the year ended 31 March 2021 was ₹ 198.71 lacs (31 March 2020 ₹ 230.98 lacs).
- 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.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(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                | 74 Years                | 74 Years                     | 1                                      | -                                     | 1  |
| Buildings           | 3                | 1-104 months            | 41 months                    | 3                                      | -                                     | 3  |
| Office Equipment    | 1                | 15 months               | 15 months                    | 1                                      | -                                     | 1  |

(e) There are no leases which are yet to commence as on 31 March 2021.

### (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<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| a. Not later than one year                           | 99.08                       | 99.08                       |
| b. Later than one year and not later than five years | 371.55                      | 173.39                      |
| c. Later than five years                             | -                           | -                           |

### 40. 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<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|-----------------------------|-----------------------------|
| Current service cost                                  | 525.09                      | 467.35                      |
| Interest cost   | 664.28                      | 674.72                      |
| Expected return on plan assets                        | (472.20)                    | (484.65)                    |
| Amount recognised in the statement of profit and loss | 717.17                      | 657.42                      |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

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

| Description  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Actuarial loss/(gain) on obligations arising from changes in demographic adjustments             | 75.14                       | (23.70)                     |
| Actuarial (gain)/loss on obligations arising from changes in experience adjustments              | (201.04)                    | 909.32                      |
| Actuarial (gain)/loss on obligations arising from changes in financial assumptions               | (105.95)                    | 353.13                      |
| <b>Remeasurements of the post employment defined benefit plans (gain)</b>                        | <b>(231.85)</b>             | <b>1,238.75</b>             |
| Return on plan assets (greater) than discount rate   | (93.06)                     | (19.97)                     |
| <b>Remeasurements of the post employment defined benefit plans (gain)/loss recognised in OCI</b> | <b>(324.91)</b>             | <b>1,218.78</b>             |

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

| Description  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Present value of defined benefit obligation as at the beginning of the year  | 10,472.72                   | 9,165.93                    |
| Current service cost   | 525.09                      | 467.35                      |
| Interest cost  | 664.28                      | 674.72                      |
| Remeasurements of the post employment defined benefit plans (gain)           | (231.85)                    | 1,238.75                    |
| Benefits paid from the fund  | (1,180.49)                  | (1,074.03)                  |
| <b>Present value of defined benefit obligation as at the end of the year</b> | <b>10,249.75</b>            | <b>10,472.72</b>            |

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

| Description  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Fair value of plan assets at beginning of year                   | 7,156.68                    | 6,626.10                    |
| Expected return on plan assets                                   | 472.20                      | 484.64                      |
| Contributions by employer  | 1,176.13                    | 1,100.00                    |
| Benefits paid  | (1,180.49)                  | (1,074.03)                  |
| Remeasurements of the post employment defined benefit plans loss | 93.06                       | 19.97                       |
| <b>Fair value of plan assets at the end of the year</b>          | <b>7,717.58</b>             | <b>7,156.68</b>             |

| Description                   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|-------------------------------|------------------------|------------------------|
| Defined benefit obligation    | 10,249.75              | 10,472.72              |
| Fair valuation of plan assets | 7,717.58               | 7,156.68               |
|                               | <b>2,532.17</b>        | <b>3,316.04</b>        |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### (v) 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<br>31 March 2021 | Year ended<br>31 March 2020 |
|------------------------------------|-----------------------------|-----------------------------|
| Insurance company products         | 95.82%                      | 95.50%                      |
| Equity shares                      | 0.00%                       | 3.50%                       |
| Bonds (including accrued interest) | 0.00%                       | 0.00%                       |
| Investment funds                   | 2.93%                       | 0.00%                       |
| Cash                               | 1.25%                       | 1.00%                       |

### (vi) Actuarial assumptions

| Description                            | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Discount rate                          | 6.70% p.a.             | 6.60% p.a.             |
| Normal retirement age*                 | 60 years               | 58 years               |
| Employee turnover#                     | 1% - 4.3% p.a.         | 1% - 7% p.a.           |
| Expected rate of return on plan assets | 6.70% p.a.             | 6.60% p.a.             |
| Salary increase rate#                  | 3% - 8.5% p.a.         | 3% - 8% 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.

### (vii) A quantitative sensitivity analysis for significant assumptions as on 31st March 2021:

| Description  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Impact of the change in discount rate              |                        |                        |
| Present value of obligation at the end of the year | 10,249.75              | 10,472.72              |
| - Impact due to increase of 0.50 %                 | 9,898.14               | 10,172.94              |
| - Impact due to decrease of 0.50 %                 | 10,622.55              | 10,789.04              |
| Impact of the change in salary increase            |                        |                        |
| Present value of obligation at the end of the year | 10,249.75              | 10,472.72              |
| - Impact due to increase of 0.50 %                 | 10,578.39              | 10,758.46              |
| - Impact due to decrease of 0.50 %                 | 9,932.02               | 10,197.76              |

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 2021

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

The following payouts are expected in future years:

| Description                               | As at<br>31 March 2021 |
|---|------------------------|
| Year ended 31 March 2022                  | 297.13                 |
| Year ended 31 March 2023                  | 928.90                 |
| Year ended 31 March 2024                  | 1,162.16               |
| Year ended 31 March 2025                  | 1,320.95               |
| Year ended 31 March 2026                  | 1,474.25               |
| Year ended 31 March 2027 to 31 March 2031 | 8,101.24               |

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

| Particulars                               | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <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>          |

### 42 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<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|-----------------------------|-----------------------------|
| <b>Revenue from contracts with customers</b>  |                             |                             |
| Sale of products                              |                             |                             |
| Domestic                                      | 90,130.87                   | 93,267.66                   |
| Export  | 15,631.13                   | 10,230.64                   |
| <b>Other operating income</b>                 | <b>2,923.54</b>             | <b>3,140.92</b>             |
| <b>Total revenue covered under Ind AS 115</b> | <b>1,08,685.54</b>          | <b>1,06,639.22</b>          |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(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<br>31 March 2021 | Year Ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| <b>Contract liabilities</b>                |                             |                             |
| Advances from consumers                    | 222.10                      | 161.23                      |
| Security deposits received from customers  | 393.67                      | 422.48                      |
| <b>Total contract liabilities</b>          | <b>615.77</b>               | <b>583.71</b>               |
| <b>Receivables</b>                         |                             |                             |
| Trade receivables                          | 26,019.63                   | 18,618.47                   |
| Less : Allowances for expected credit loss | (279.92)                    | (248.24)                    |
| <b>Net receivables</b>                     | <b>25,739.71</b>            | <b>18,370.23</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.

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

| Particulars   | As at 31 March 2021        |   |
|---|----------------------------|---|
|   | Contract Liabilities       |   |
|   | Advances from<br>consumers | Security deposits<br>received from<br>customers |
| <b>Opening balance</b>  | 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)   |
| <b>Closing balance</b>  | <b>222.10</b>              | <b>393.67</b>                                   |

| Particulars   | As at 31 March 2020        |   |
|---|----------------------------|---|
|   | Contract Liabilities       |   |
|   | Advances from<br>consumers | Security deposits<br>received from<br>customers |
| <b>Opening balance</b>  | 119.51                     | 452.98  |
| Additions during the year   | 5,343.53                   | 44.92   |
| Revenue recognised during the year/ amount refunded during the year | (5,301.81)                 | (75.42)   |
| <b>Closing balance</b>  | <b>161.23</b>              | <b>422.48</b>                                   |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(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.

## 43. 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<br>31March 2021 | As at<br>31March 2020 |
|--|-----------------------|-----------------------|
| a The principal amount remaining unpaid as at the end of year  | 1,452.66              | 911.89                |
| b Interest due on above principal and remaining unpaid as at the end of the year   | 0.04                  | 0.05                  |
| 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. | 5.18                  | 16.72                 |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

| Particulars  | As at<br>31March 2021 | As at<br>31March 2020 |
|--|-----------------------|-----------------------|
| e The amount of interest accrued and remaining unpaid at the end of each accounting year; and  | 5.22                  | 16.77                 |
| 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 | -                     | -                     |

### 44. 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 ₹ 207.48 lacs is included under Note no. 14 for provisions which are net of amounts utilized of ₹ 127.30 lacs during the year towards remediation.

In addition to the above, the provision for regulatory matters includes a provision of ₹ 5,585.86 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.

### 45. Management support charges

During the financial year 2020-21, the company has paid the management support charges under cost allocation agreement with Federal Mogul Holding Deutschland GmbH to ₹ 2,683.35 lacs (Previous year 2019-20 ₹ 2,654.11 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.

### 46. 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.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

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

| Particulars   | Lease liabilities | Short term * borrowings | Interest     |
|---|-------------------|-------------------------|--------------|
| Opening Balance as on 1 April 2019                  | 357.29            | 6,660.00                | 135.53       |
| <b>Non cash changes due to</b>                      |                   |                         |              |
| - Interest expense                                  | 20.87             | -                       | 461.13       |
| <b>Cash flows during the year due to</b>            |                   |                         |              |
| - Repayment of lease liabilities                    | (230.98)          | -                       | -            |
| - Movement in short term borrowings during the year | -                 | (6,660.00)              | -            |
| - Payment of interest                               | -                 | -                       | (517.79)     |
| <b>Closing Balance as on 31 March 2020</b>          | <b>147.18</b>     | <b>-</b>                | <b>78.87</b> |
| <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>-</b>                | <b>53.58</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)



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

### 48. 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 ₹ 198.17 lacs (previous year ₹ 250.86 lacs)
- b) Amount spent during the year on-

| Particulars                               | Year ended 31 March 2021 |                        |        | Year ended 31 March 2020 |                        |        |
|---|--------------------------|------------------------|--------|--------------------------|------------------------|--------|
|   | In cash                  | Yet to be paid in cash | Total  | In cash                  | Yet to be paid in cash | Total  |
| (i) Construction/acquisition of any asset | 43.88                    | -                      | 43.88  | 56.50                    | -                      | 56.50  |
| (ii) On purposes other than (i) above     | 154.36                   | -                      | 154.36 | 195.71                   | -                      | 195.71 |
|   | 198.24                   | -                      | 198.24 | 252.21                   | -                      | 252.21 |

- 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* |
|-----------------|---|------------------------------|------------------|
| -               | 198.17                                      | 198.24                       | -                |

- 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 |
| -               | -                           | 198.17                                      | 198.24                       | -                             | -                | -                           |

\* please refer point (e) of note no. 48



- 49.** Due to the outbreak of Coronavirus Disease 2019 (COVID - 19) which had been declared as a pandemic by the World Health Organisation and subsequent lock down ordered by the Central and State Government(s) in India, the manufacturing facilities of the Company remained suspended for some time during April and May 2020. The Company in compliance with the necessary instructions/guidelines, resumed its operations in May 2020 in a phased manner, while ensuring health and safety of all the stakeholders. This situation resulted in temporary disturbance in the economic activities through interruption in manufacturing process, disruption in supply chain, etc. for the Company during the year ended 31 March 2021. Further, the recent second wave of COVID - 19 has resulted in partial lockdown/restriction in various states. However, the Company is closely monitoring the impact of the aforementioned pandemic and believes that there will not be any adverse impact on the long-term operations and performance of the Company. Further, based on the preliminary estimates, 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.
- 50.** 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

**Anamitra Das**

Partner

Membership No.: 062191

Place: Gurugram

Date: 28<sup>th</sup> June 2021

**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



**DIRECTORS' REPORT**

Dear Member(s),

Your Directors are pleased to present the 24<sup>th</sup> Annual Report and Audited Financial Statement of Accounts for the financial year ending 31<sup>st</sup> March, 2021.

**FINANCIAL RESULTS**

(Rs. in Lacs)

| Particulars   | 1 <sup>st</sup> April 2020<br>to<br>31 <sup>st</sup> March 2021 | 1 <sup>st</sup> April 2019<br>to<br>31 <sup>st</sup> March 2020 |
|---|---|---|
| Income from operations  | 9,070.54  | 9,499.83  |
| Other income  | 335.66  | 481.81  |
| <b>Total Income</b>   | <b>9,406.20</b>   | <b>9,981.64</b>   |
| <b>Operating profit before finance charges, depreciation and exceptional item</b> | <b>1,715.89</b>   | <b>2195.14</b>  |
| Finance Charges   | 33.11   | 24.44   |
| Depreciation  | 468.00  | 500.13  |
| <b>Net Profit before tax</b>  | <b>1,214.78</b>   | <b>1,670.57</b>   |
| Provision for the Taxation:   |   |   |
| Current Tax   | 321.93  | 458.49  |
| Less: Deferred Tax  | (5.91)  | (57.48)   |
| <b>Profit after tax</b>   | <b>898.76</b>   | <b>1,269.56</b>   |
| Other comprehensive income (net of taxes)   | (3.59)  | 3.62  |
| <b>Total Comprehensive Income</b>   | <b>902.35</b>   | <b>1,265.94</b>   |
| Profit brought forward from last year   | 10,182.55   | 9,670.08  |
| <b>Net profit available for appropriation</b>                                     | <b>11,084.90</b>  | <b>10,936.02</b>  |
| <b>Appropriation:</b>   |   |   |
| Transfer to general reserve   | -   | -   |
| Dividend:   | -   | -   |
| Equity Shares   | (870.00)  | (625.00)  |
| Tax and Cess on dividend - equity   | -   | (128.47)  |
| <b>Surplus / (loss) carried forward to Balance sheet</b>                          | <b>10,214.90</b>  | <b>10,182.55</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, 2021 was Rs. 9,406.20 lakhs as against Rs. 9,981.64 Lakh for the financial year ended 31<sup>st</sup> March, 2020.

During the year under review, the Company made a net profit after tax of Rs. 898.76 Lakhs for the financial year ended 31<sup>st</sup> March, 2021 as against the net profit after tax of Rs. 1269.56 Lakhs for the financial year ended 31<sup>st</sup> March, 2020.

No amount is proposed to be transferred to the general reserves. The Company proposed a dividend of Rs. 580 lakhs for the financial year ended 31<sup>st</sup> March, 2021.

**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, 2021. 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 M/s Deepika Gera, Company Secretaries, New Delhi, as Secretarial Auditor of the Company for the FY 2021-22.





## 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 2020-21 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. Rajesh Sinha and Mr. Vinod Kumar Hans, 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. The tenure of Mr. Toshiaki Imai as Whole-time Director expired on 28<sup>th</sup> June, 2020 and accordingly, in the Board Meeting held on 25<sup>th</sup> June, 2020, he was re-appointed as Whole-time Director for a further period of 3 (three) years with effect from 29<sup>th</sup> June, 2020, the shareholders accorded their approval in Annual General Meeting held on 3<sup>rd</sup> September, 2020.

Further, Mr. Kapil Arora, the Manager of the Company who was appointed by the Company with effect from 19<sup>th</sup> April, 2017 for a term of 3 (three) years and has, thus, ceased from his position upon expiration of his tenure on 18<sup>th</sup> April, 2020.

### 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 2020-21 are given below:

| Date of the meeting              | Total strength of the Board | No. of Directors Present |
|----------------------------------|-----------------------------|--------------------------|
| 25 <sup>th</sup> June, 2020      | 07                          | 07                       |
| 03 <sup>rd</sup> September, 2020 | 07                          | 07                       |
| 27 <sup>th</sup> November, 2020  | 07                          | 07                       |
| 18 <sup>th</sup> February, 2021  | 07                          | 07                       |

### COMMITTEES OF THE BOARD

The Company has a **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 2021 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March 2021;
- (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**

During the period under review the Company declared an interim dividend of Rs. 2.90 (Rupees Two and Ninety Paise only) per Equity share in its Board Meeting held on 3<sup>rd</sup> September, 2020.

Further, for the financial year ended 31<sup>st</sup> March, 2021, the Board has recommended a final dividend @ Rs. 5.80/- (Rupees Five and Eighty paise only) per Equity Share, aggregating to Rs. 580 lakhs.

## **EXTRACT OF THE ANNUAL RETURN**

The extract of the annual return in Form MGT- 9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 12 of Companies (Management & Administration) Rules, 2014 is enclosed as **Annexure -B**, forming part of this report.

## **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS 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**

For the details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with rules made thereunder, please refer Note no. 43 forming the part of financial statements.

## **RELATED PARTY TRANSACTIONS**

During the financial year 2020-21, 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-C** 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 2% of the average profits of the Company during the previous 3 financial years.

The activities and initiatives undertaken by the Company during the financial year 2020-21 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- D** to this Report.

In accordance with the provisions of Section 135 of the Companies Act 2013, the Board has approved Rs. 34,76,703/- for spending on CSR activities during the financial year 2021-22.

### SUBSIDIARY AND ASSOCIATE COMPANY

The Company has no subsidiary and associate Company.

### PUBLIC DEPOSITS

As at 31<sup>st</sup> March, 2021, 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> AGM of the Company, M/s. Walker Chandiok & 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 of the Company to be held in the calendar year 2022.

The Company has received written consent and a certificate from the Auditors to such effect in accordance with Section 141 read with rule 4 of the Companies (Audit & Auditors) Rules, 2014 of the Companies Act, 2013.

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory.

#### Internal Auditors

The Board has approved the appointment of M/s. KPMG, Chartered Accountants as the Internal Auditors, for the financial year ending March 31, 2022.

#### Cost Auditors

The Board has approved the appointment of M/s. Sanjay Gupta Associates, Cost Accountant as Cost Auditor, for the financial year ending March 31, 2022. The Cost Auditors shall submit their report for the financial year ending 2020-21 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.



**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 2020-21.

No. of complaints received: Nil

No. of complaints disposed off: Nil

During the year, the Company carried out awareness programme 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.

**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: 25<sup>th</sup> June, 2021

Place: Gurugram





**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2021**

[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, 2021 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, 2021 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.;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.





## FEDERAL-MOGUL TPR (INDIA) LIMITED

During the period under review the Company has declared interim dividend of Rs. 2.90/- (Rupees Two and ninety paise only) and final dividend of Rs. 5.80/- (Rupees Five and eighty paise only) Per equity share of Rs. 10/- each for the financial year 2019-2020 to its shareholders. In the 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 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 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. F003531C000439010**

Place: NEW DELHI

Date: 09-06-2021

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

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**'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. Due to prevailing circumstance of COVID-19, 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.

**For DEEPIKA GERA, COMPANY SECRETARIES**

**DEEPIKA GERA**

**FCS No. 3531**

**C P No : 7487**

**UDIN NO. F003531C000439010**

Place: NEW DELHI

Date: 09-06-2021





## FEDERAL-MOGUL TPR (INDIA) LIMITED

Form No. MGT-9

Annexure B

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

|  |  |
|--|--|
| <b>CIN</b>   | U34300DL1997PLC087410  |
| <b>Registration Date</b>   | 21 <sup>st</sup> May, 1997   |
| <b>Name of the Company</b>   | Federal-Mogul TPR (India) Limited  |
| <b>Category / Sub-Category of the Company</b>                            | Company limited by shares  |
| <b>Address of the Registered office and contact details</b>              | <b>Registered Office:</b> DLF Prime Towers,<br>10 Ground Floor, F-79 & 80,<br>Okhla Phase - I, New Delhi – 110020<br><b>Contact details:</b><br>Ph. No.: +91 124 4784530; +91 11 4905 7597 |
| <b>Whether listed company</b>  | No   |
| <b>Name, Address and Contact details of Registrar and Transfer Agent</b> | Not Applicable   |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| S. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1      | Piston rings                                     | 2811                             | 100%                               |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name and Address of The company      | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|--------|--------------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1      | Federal-Mogul Goetze (India) Limited | L74899DL1954PLC002452 | Holding                        | 51%              | 2(46)              |





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

| Category of Shareholders  | No. of Shares held at the beginning of the year |          |          |                   | No. of Shares held at the end of the year |          |          |                   | % Change during the year |
|---|---|----------|----------|-------------------|---|----------|----------|-------------------|--------------------------|
|   | Demat   | Physical | Total    | % of Total Shares | Demat                                     | Physical | Total    | % of Total Shares |                          |
| <b>A. Promoter</b>  |   |          |          |                   |   |          |          |                   |                          |
| <b>(1) Indian</b>   |   |          |          |                   |   |          |          |                   |                          |
| a) Individual / HUF   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| b) Central Govt   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| c) State Govt   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| d) Bodies Corp  | -   | 5100000  | 5100000  | 51.00             | -   | 5100000  | 5100000  | 51.00             | -                        |
| e) Banks / FI   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| f) Any Other  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| <b>Sub – total (A)(1)</b>   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| <b>(2) Foreign</b>  |   |          |          |                   |   |          |          |                   |                          |
| a) NRI-Individuals  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| b) Other-Individuals  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| c) Bodies Corp.   | -   | 4900000  | 4900000  | 49.00             | -   | 4900000  | 4900000  | 49.00             | -                        |
| d) Banks / FI   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| e) Any Other  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| <b>Sub-total (A) (2)</b>  | -   | 10000000 | 10000000 | 100.00            | -   | 10000000 | 10000000 | 100.00            | -                        |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>                         | -   | 10000000 | 10000000 | 100.00            | -   | 10000000 | 10000000 | 100.00            | -                        |
| <b>B. Public Shareholding</b>   |   |          |          |                   |   |          |          |                   |                          |
| 1. Institutions   |   |          |          |                   |   |          |          |                   |                          |
| a) Mutual Funds   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| b) Banks / FI   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| c) Central Govt   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| d) State Govt(s)  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| e) Venture Capital Funds  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| f) Insurance Companies  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| g) FIs  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| h) Foreign Venture Capital Funds  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| i) Others (specify)   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| <b>Sub-total (B)(1):-</b>   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| 2. Non-Institutions   |   |          |          |                   |   |          |          |                   |                          |
| a) Bodies Corp.   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| i) Indian   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| ii) Overseas  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| b) Individuals  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| l) Individual shareholders holding nominal share capital up to Rs. 1 lakh         | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| c) Others (specify)   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| Joint shareholding  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| <b>Sub-total (B)(2):</b>  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| <b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>                             | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| C. Shares held by Custodian for GDRs & ADRs                                       | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| <b>Grand Total (A+B+C)</b>  | -   | 10000000 | 10000000 | 100.00            | -   | 10000000 | 10000000 | 100.00            | -                        |



**Shareholding of Promoters**

| Sl. Shareholder's No. Name             | Shareholding at the beginning of the year |                                  |   | Shareholding at the end of the year |                                  |   |  |
|--|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
|  | No. of shares                             | % of total shares of the company | % of shares Pledged/ encumbered to total shares | No. of shares                       | % of total shares of the company | % of shares Pledged/ encumbered to total shares | % change in shareholding during the year |
| 1 Federal-Mogul Goetze (India) Limited | 5100000                                   | 51.00                            | -   | 5100000                             | 51.00                            | -   | -  |
| 2 Federal-Mogul UK Investments Limited | 900000                                    | 9.00                             | -   | 900000                              | 9.00                             | -   | -  |
| 3 TPR Co. Ltd.                         | 4000000                                   | 40.00                            | -   | 4000000                             | 40.00                            | -   | -  |
| <b>Total</b>                           | <b>10000000</b>                           | <b>100.00</b>                    | <b>-</b>  | <b>10000000</b>                     | <b>100.00</b>                    | <b>-</b>  | <b>-</b>                                 |

**ii. Change in Promoters' Shareholding (please specify, if there is no change)**

| Sl. Name of the No. Shareholders   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--|---|----------------------------------|---|----------------------------------|
|  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>1. Federal-Mogul Goetze (India) Limited</b><br>At the beginning of the year<br>Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 5100000<br>Nil                            | 51.00<br>Nil                     | 5100000<br>Nil                          | 51.00<br>Nil                     |
| At the End of the year   | 5100000                                   | 51.00                            | 5100000                                 | 51.00                            |
| <b>2. Federal-Mogul UK Investments Limited</b><br>At the beginning of the year<br>Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)                | 900000<br>Nil                             | 9.00<br>Nil                      | 900000<br>Nil                           | 9.00<br>Nil                      |
| At the End of the year   | 900000                                    | 9.00                             | 900000                                  | 9.00                             |
| <b>3. TPR Co. Ltd.</b><br>At the beginning of the year<br>Date wise increase/ decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)                                     | 4000000<br>Nil                            | 40.00<br>Nil                     | 4000000<br>Nil                          | 40.00<br>Nil                     |
| At the End of the year   | 4000000                                   | 40.00                            | 4000000                                 | 40.00                            |

**(iii) Shareholding Pattern of Top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

| Sl. No. | For each of the Top 10 Shareholders | Shareholders at beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|---------|-------------------------------------|---------------------------------------|----------------------------------|---|----------------------------------|
|         |                                     | No. of Shares                         | % of Total Shares of the Company | No. of shares                           | % of total shares of the Company |
| 1.      | Nil                                 | Nil                                   | Nil                              | Nil                                     | Nil                              |





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### iv. Shareholding of Directors and Key Managerial Personnel:

| Shareholder's Name   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--|---|----------------------------------|---|----------------------------------|
|  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>Mr. Vinod Kumar Hans (Chairman &amp; Director)</b><br>- Jointly with Federal-Mogul (India) Limited<br>At the beginning of the year<br>Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):<br>At the end of the year | 20 equity shares                          | negligible                       | 20 equity shares                        | negligible                       |
|  | 20 equity shares                          | negligible                       | 20 equity shares                        | negligible                       |
| <b>Dr. Khalid Iqbal Khan (Director)</b><br>- Jointly with Federal-Mogul (India) Limited<br>At the beginning of the year<br>Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):<br>At the end of the year               | 10 equity shares                          | negligible                       | 10 equity shares                        | negligible                       |
|  | 10 equity shares                          | negligible                       | 10 equity shares                        | negligible                       |
| <b>Mr. Manish Chadha (CFO &amp; Director)</b><br>- Jointly with Federal-Mogul (India) Limited<br>At the beginning of the year<br>Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):<br>At the end of the year         | 10 equity shares                          | negligible                       | 10 equity shares                        | negligible                       |
|  | 10 equity shares                          | negligible                       | 10 equity shares                        | negligible                       |

Note: Mr. K.N. Subramaniam, Mr. Rajesh Sinha, Mr. Takehiko Karasawa, Mr. Toshiaki Imai, and Mr. Abhishek Nagar did not hold any shares during the year 2020-21.

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lakhs)

|   | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year |                                  |                 |          |                    |
| i) Principal Amount                                 | Nil                              | Nil             | Nil      | Nil                |
| ii) Interest due but not paid                       | Nil                              | Nil             | Nil      | Nil                |
| iii) Interest accrued but not due                   | Nil                              | Nil             | Nil      | Nil                |
| <b>Total (i+ii+iii)</b>                             | Nil                              | Nil             | Nil      | Nil                |
| Change in Indebtedness during the financial year    |                                  |                 |          |                    |
| • Addition  | Nil                              | Nil             | Nil      | Nil                |
| • Reduction   | Nil                              | Nil             | Nil      | Nil                |
| Net Change  | Nil                              | Nil             | Nil      | Nil                |
| Indebtedness at the end of the financial year       |                                  |                 |          |                    |
| i) Principal Amount                                 | Nil                              | Nil             | Nil      | Nil                |
| ii) Interest due but not paid                       | Nil                              | Nil             | Nil      | Nil                |
| iii) Interest accrued but not due                   | Nil                              | Nil             | Nil      | Nil                |
| <b>Total (i+ii+iii)</b>                             | Nil                              | Nil             | Nil      | Nil                |



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. in lakhs)

| Sl. No. | Particulars of Remuneration  | Name of MD / WTD / Manager                                    |                        |
|---------|--|---|------------------------|
|         |  | Kapil Arora<br>(Manager)<br>upto 18 <sup>th</sup> April, 2020 | Toshiaki Imai<br>(WTD) |
| 1       | Gross salary   | 8.45  | 25.65                  |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  | -   | 21.35                  |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  | -   | -                      |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961  | -   | -                      |
| 2       | Stock Option   | -   | -                      |
| 3       | Sweat Equity   | -   | -                      |
| 4       | Commission   | -   | -                      |
|         | - as % of profit   | -   | -                      |
|         | - others, (Commission)   | -   | -                      |
| 5       | Others, (Company's contribution to PF)   | 0.54  | -                      |
|         |  | 0.34  | -                      |
|         | <b>Total (A)</b>   | <b>9.33</b>   | <b>47.00</b>           |
|         | <b>Ceiling as per the Act:</b><br>(Being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013) |   |                        |

**B. Remuneration to other directors:**

(Rs. in lakhs)

| Sl. No. | Particulars of Remuneration  | Name of Directors<br>Krishnamurthy Naga Subramaniam |                              |                          |                     |                      | Total |
|---------|--|---|------------------------------|--------------------------|---------------------|----------------------|-------|
|         | <b>For Independent Directors</b>   |   |                              |                          |                     |                      |       |
|         | Fee for attending Board / Committee meetings   |   |                              | 3.75                     |                     |                      | 3.75  |
|         | Commission   |   |                              | Nil                      |                     |                      | -     |
|         | Others, please specify   |   |                              | Nil                      |                     |                      | -     |
|         | Total (1)  |   |                              | 3.75                     |                     |                      | 3.75  |
|         | <b>Other Non-Executive Directors</b>   | <b>Vinod Kumar Hans</b>                             | <b>Mr. Takehiko Karasawa</b> | <b>Khalid Iqbal Khan</b> | <b>Rajesh Sinha</b> | <b>Manish Chadha</b> |       |
|         | Fee for attending Board / Committee meetings   | Nil   | Nil                          | Nil                      | Nil                 | Nil                  | Nil   |
|         | Commission   | Nil   | Nil                          | Nil                      | Nil                 | Nil                  | Nil   |
|         | Others, please specify   | Nil   | Nil                          | Nil                      | Nil                 | Nil                  | Nil   |
|         | Total (2)  | Nil   | Nil                          | Nil                      | Nil                 | Nil                  | Nil   |
|         | Total B (1+2)  | Nil   | Nil                          | Nil                      | Nil                 | Nil                  | Nil   |
|         | *Total Managerial Remuneration (A+B)   | Nil   | Nil                          | Nil                      | Nil                 | Nil                  | Nil   |
|         | <b>Overall Ceiling as per the Act:</b><br>(Being 11% of the net Profits of the Company calculated as per Section 198 of the Companies Act, 2013) |   |                              |                          |                     |                      |       |

Notes:

1.\*Total remuneration to Managing Director, Whole time Director, Manager &amp; Directors and other Directors (being the total of A and B)





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

(Rs. in lakhs)

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel<br>Mr. Abhishek Nagar (Company Secretary) |
|---------|---|--|
| 1.      | Gross salary  |  |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 28.27  |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -  |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 Nil          | -  |
| 2.      | Stock Option  | -  |
| 3.      | Sweat Equity  | -  |
| 4.      | Commission  | 1.38   |
|         | - as % of profit  | -  |
|         | - others, specify   | -  |
| 5.      | Others, please specify (Company's contribution to PF)                               | 0.97   |
|         | <b>Total</b>  | <b>30.62</b>   |

### PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences under any sections of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

**For and on behalf of the Board of Directors  
Federal-Mogul TPR (India) limited**

**(Vinod Kumar Hans)  
Chairman & Director  
DIN: 03328309**

Date: 25<sup>th</sup> June, 2021  
Place: Gurugram



## 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.
- 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 according 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 to be in line with the specific power consumption required for generation of product.
- Energy saving logic + A5s 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.
- Adequate maintenance to avoid leaks of compressed air.
- Temperature cutoff to all the Surface Treatment Baths to avoid overheating and consumption of electricity.

#### b. The steps taken by the company for Utilising alternate sources of energy:

- The facility uses 90% of Wheeling Energy (Wind/Solar Energy) thus in reduction of GHG gases.
- Maximum usage of natural roof Lighting in the shop floor

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

INR 10,00,000 per annum

### B. Technology absorption

#### i) 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, the Company successfully applied the following Global technology:

Piston Rings:

1. Low friction coating – Carboglide® successfully developed
2. Asymmetrical barreled top ring in steel material
3. TX-III Spacer design
4. Implementation of PRiME 3D® Software for ring motion simulation and prediction of blow-by
5. 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) Caboglide® coating introduced to reduce the friction as well to enhance durability
- b) Asymmetrical barreled top ring in steel material for gasoline engines will ensure consistently low oil consumption over the engine life
- c) TX-III Spacer design introduced for petrol engines to reduce carbon buildup in a three-piece oil ring

#### 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      |
|------------------------------|---------------|----------------|-------------|
| PVD                          | Japan         | 2016           | Production  |
| Carboglide®                  | Germany       | 2020           | Development |
| Asymmetrical barrel top ring | Germany       | 2021           | Development |

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: Nil
2. Foreign exchange earned: Rs. Nil
3. Foreign exchange utilized: Rs. 103.28 Lakhs



**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE FINANCIAL YEAR 2020-21**
**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 FMTPR location, within a radius of 15- 30 Km.

**2. Composition of the CSR Committee:**

| Sl. No. | Name of Director      | Designation/<br>Nature of<br>Directorship | Number of meetings of<br>CSR Committee held<br>during the year | Number of meetings<br>of CSR Committee<br>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<br>from preceding financial years<br>(in Rs) | Amount required to be set- off for<br>the financial year, if any<br>(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. 2139 Lakhs**

**7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 42,78,997**

(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. 42,78,997.**

**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 |
|  |  |                  |  |        |                  |

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

**Amounts Rs. in Lakhs**

| 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 |           | Project duration    | Amount allocated for the project (Amt. in Rs. In lacs) | Amount spent in the current financial Year (Amt. in Rs. In lacs) | Amount spent in the current financial Year (Amt. in Rs. In lacs) | Mode of implementation Direct (Yes/No) | Mode of implementation - Through implementing agency |                         |
|--------------|---|--|---------------------|-------------------------|-----------|---------------------|--|--|--|--|--|-------------------------|
|              |   |  |                     | State                   | District  |                     |  |  |  |  | Name   | CSR registration number |
| 1.           | Supporting Pragati Govt. owned Primary school for remedial coaching from class nursery to 5     | Promotion of education                                       | Yes                 | Haryana                 | Gurugram  | 1/6/2019 to 31/5/21 | 15.48  | 15.48  | Nil  | Through NGO                            | Pragati  | CSR 0000 5659           |
| 2.           | Puttanahali Lake Rejuvenation Project at Yelahanka  | Environment Protection                                       | Yes                 | Karnataka               | Bangalore | 5/3/20 to 4/3/21    | 1.1  | 1.1  | Nil  | Through NGO                            | Manav Charities                                      | CSR 0000 5312           |
| 3.           | Supply of hospital equipment for Atal Bihari Zoological Park in liaison with Govt. of Karnataka | Protection of Wild life                                      | Yes                 | Karnataka               | Humpi     | 2/2/21 to 31/12/21  | 14.30  | 14.30  | Nil  | Through NGO                            | Manav Charities                                      | CSR 0000 5312           |
| 4.           | Supply of Masks during COVID  | Preventive HealthCare  | Yes                 | Karnataka               | Bangalore | 11/8/20 to 31/3/21  | 10.47  | 10.47  | Nil  | Through NGO                            | Manav Charities                                      | CSR 0000 5312           |
| 5.           | Auditors Fee  | Administrative Expense                                       | Yes                 | Karnataka               | Bangalore | one year            | 1.5  | 1.5  | Nil  | Through NGO                            | Manav Charities                                      | CSR 0000 5312           |
| <b>TOTAL</b> |   |  |                     |                         |           |                     | <b>42.85</b>   | <b>42.85</b>   |  |  |  |                         |



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

| (1)<br>Sl.<br>No. | (2)<br>Name<br>of the<br>Project | (3)<br>Item from<br>the list of<br>activities in<br>schedule VII<br>to the Act | (4)<br>Local<br>area<br>(Yes/<br>No) | (5)<br>Location<br>of<br>the project |          | (6)<br>Amount<br>spent for<br>the<br>project<br>(in Rs.) | (7)<br>Mode of<br>impleme-<br>ntation<br>Direct<br>(Yes/No) | (8)<br>Mode of<br>implementation –<br>Through<br>implementing agency |                               |
|-------------------|----------------------------------|--|--------------------------------------|--------------------------------------|----------|--|---|--|-------------------------------|
|                   |                                  |  |                                      | State                                | District |  |   | Name   | CSR<br>registration<br>number |
| 1.                |                                  |  |                                      |                                      |          |  |   |  |                               |
| 2.                |                                  |  |                                      |                                      |          |  |   |  |                               |
| 3.                |                                  |  |                                      |                                      |          |  |   |  |                               |
|                   | TOTAL                            |  |                                      |                                      |          |  |   |  |                               |

- (a) Amount spent in Administrative Overheads
- (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

| Sl. No. | Particular  | Amount (in Rs.) |
|---------|---|-----------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      |                 |
| (ii)    | Total amount spent for the Financial Year   |                 |
| (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.<br>No. | Preceding<br>Financial<br>Year | Amount<br>transferred<br>to Unspent<br>CSR Account<br>under section<br>135 (6)<br>(in Rs.) | Amount<br>spent in the<br>reporting<br>Financial<br>Year<br>(in Rs.) | Amount transferred to<br>any fund specified under<br>Schedule VII as per<br>section 135(6), if any |                   |                     | Amount remaining<br>to be spent<br>in succeeding<br>financial years<br>(in Rs.) |
|------------|--------------------------------|--|--|--|-------------------|---------------------|---|
|            |                                |  |  | Name of<br>the Fund  | Amount<br>(in Rs) | Date of<br>transfer |   |
| 1.         |                                |  |  |  |                   |                     |   |
| 2.         |                                |  |  |  |                   |                     |   |
| 3.         |                                |  |  |  |                   |                     |   |
|            | TOTAL                          |  |  |  |                   |                     |   |





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

### 12. Details of implementing Agencies are as under: -

**Pragati**, is an NGO that works primarily in the field of education for underprivileged children. Under this model, Pragati adopts, manages and operates government Primary schools for deprived children from Nursery to Class-5 and helps improve students' learning. It is working in this field since 2004.

**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, 14th 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: 25<sup>th</sup> June, 2021  
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.





#### 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 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, 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 is 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 auditor's 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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors is 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, 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 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 management's 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;
- 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, 2016 ('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.

13. 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 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 March 2021 from being appointed as a

director in terms of section 164(2) of the Act;

- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 25 June 2021 as per Annexure B expressed 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 29 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
  - 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 2021;
  - 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 2021; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

#### **For Walker Chandiok & Co LLP**

Chartered Accountants

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

#### **Anamitra Das**

Partner

Membership No.: 062191

UDIN: 21062191AAAAIU8167

Place: Gurugram

Date: 25<sup>th</sup> June 2021



**Annexure A 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 March 2021**
**Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (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) All property, plant and equipment and right of use assets have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment and right of use assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of loan. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) 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 sub-section (1) of Section 148 of the Act in respect of Company's products 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) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to 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 become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, goods and services tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

**Statement of Disputed Dues**

| 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    | 29.84                | 15.50                                   | 2007-2008                          | Customs, Excise and Service Tax Appellate Tribunal, Bangalore |
| 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 |





## FEDERAL-MOGUL TPR (INDIA) LIMITED

| 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                | 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                                    | 2016-2018                          | Commissioner of Central Excise, Bangalore                     |
| Karnataka VAT Act, 2003       | Central sales tax act 1956 | 434.51               | -                                       | 2015-16                            | DCCT, Audit Bangalore,  |
| Karnataka VAT Act, 2003       | Value added tax            | 25.40                | -                                       | 2015-16                            | DCCT, Audit Bangalore,  |
| Karnataka VAT Act, 2003       | Central sales tax act 1956 | 5.85                 | -                                       | 2016-17                            | DCCT, Audit Bangalore,  |

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company did not have any loans or borrowings outstanding from any financial institution or Government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and/ provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Walker Chandiok & Co LLP**

Chartered Accountants

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

**Anamitra Das**

Partner

**Membership No.: 062191**

**UDIN: 21062191AAAAIU8167**

Place : Gurugram

Date : 25<sup>th</sup> June 2021



**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 March 2021 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 financial statements of Federal-Mogul TPR (India) Limited ('the Company') as at and for the year ended 31 March 2021, 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 March 2021, 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**

### Anamitra Das

Partner

Membership No.: 062191

Place: Gurugram

Date: 25<sup>th</sup> June 2021





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Federal-Mogul TPR (India) Limited Balance Sheet as at 31 March 2021

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

|  | Notes | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|-------|------------------------|------------------------|
| <b>ASSETS</b>  |       |                        |                        |
| <b>Non-current assets</b>  |       |                        |                        |
| Property, plant and equipment  | 3     | 3,648.45               | 3,392.35               |
| Capital work-in-progress   | 3     | 748.36                 | 632.88                 |
| Right-of-use assets  | 3     | 376.82                 | 234.88                 |
| Income-tax assets (net)  | 4     | 245.22                 | 189.09                 |
| Other non-current assets   | 5     | 197.94                 | 76.65                  |
|  |       | <b>5,216.79</b>        | <b>4,525.85</b>        |
| <b>Current assets</b>  |       |                        |                        |
| Inventories  | 6     | 1,331.70               | 1,078.57               |
| Financial assets   |       |                        |                        |
| - Trade receivables  | 7     | 937.71                 | 2,851.48               |
| - Cash and cash equivalents  | 8(a)  | 8,330.64               | 6,036.34               |
| - Other bank balances  | 8(b)  | -                      | 1,500.00               |
| - Other financial assets   | 9     | -                      | 71.33                  |
| Other current assets   | 5     | 63.33                  | 156.41                 |
|  |       | <b>10,663.38</b>       | <b>11,694.13</b>       |
| <b>TOTAL ASSETS</b>  |       | <b>15,880.17</b>       | <b>16,219.98</b>       |
| <b>EQUITY AND LIABILITIES</b>  |       |                        |                        |
| <b>Equity</b>  |       |                        |                        |
| Equity share capital   | 10    | 1,000.00               | 1,000.00               |
| Other equity   | 11    | 12,509.90              | 12,477.55              |
|  |       | <b>13,509.90</b>       | <b>13,477.55</b>       |
| <b>Liabilities</b>   |       |                        |                        |
| Non-current liabilities  |       |                        |                        |
| Financial liabilities  |       |                        |                        |
| - Lease liabilities  | 15    | 320.29                 | 161.32                 |
| Provisions   | 12    | 238.33                 | 191.03                 |
| Deferred tax liabilities (net)   | 13    | 219.15                 | 223.85                 |
|  |       | <b>777.77</b>          | <b>576.20</b>          |
| <b>Current liabilities</b>   |       |                        |                        |
| Financial liabilities  |       |                        |                        |
| - Trade payables   |       |                        |                        |
| - total outstanding dues of micro enterprises and small enterprises                      | 14    | 60.73                  | 39.46                  |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 14    | 1,286.60               | 1,571.73               |
| - Other financial liabilities  | 16    | 50.87                  | 396.80                 |
| - Lease liabilities  | 15    | 70.52                  | 82.66                  |
| Other current liabilities  | 17    | 115.28                 | 66.28                  |
| Provisions   | 12    | 8.50                   | 9.30                   |
|  |       | <b>1,592.50</b>        | <b>2,166.23</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |       | <b>15,880.17</b>       | <b>16,219.98</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 Chandiok & Co LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner

Membership No.: 062191

Place: Gurugram

Date: 25<sup>th</sup> June 2021

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

### Federal-Mogul TPR (India) Limited

#### Statement of Profit and Loss for the year ended 31 March 2021

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

|   | Notes | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|-------|-----------------------------|-----------------------------|
| <b>INCOME</b>   |       |                             |                             |
| Revenue from operations   | 18    | 9,070.54                    | 9,499.83                    |
| Other income  | 19    | 335.66                      | 481.81                      |
| <b>Total income</b>   |       | <b>9,406.20</b>             | <b>9,981.64</b>             |
| <b>Expenses</b>   |       |                             |                             |
| Cost of materials consumed  | 20    | 3,033.93                    | 2,743.23                    |
| Changes in inventories of finished goods and work-in-progress                   | 21    | (55.80)                     | 8.62                        |
| Employee benefits expense   | 22    | 836.26                      | 820.54                      |
| Finance costs   | 23    | 33.11                       | 24.44                       |
| Depreciation expense  | 24    | 468.00                      | 500.13                      |
| Other expenses  | 25    | 3,875.92                    | 4,214.11                    |
| <b>Total expenses</b>   |       | <b>8,191.42</b>             | <b>8,311.07</b>             |
| <b>Profit before tax</b>  |       | <b>1,214.78</b>             | <b>1,670.57</b>             |
| <b>Tax expense</b>  |       |                             |                             |
| Current tax   | 26    | 321.93                      | 458.49                      |
| Deferred tax  | 13    | (5.91)                      | (57.48)                     |
| <b>Total tax expense</b>  |       | <b>316.02</b>               | <b>401.01</b>               |
| <b>Profit for the year</b>  |       | <b>898.76</b>               | <b>1,269.56</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                  |       | (4.80)                      | 4.84                        |
| B. Income tax relating to items that will not be reclassified to profit or loss |       | 1.21                        | (1.22)                      |
| <b>Total other comprehensive (income) / loss</b>                                |       | <b>(3.59)</b>               | <b>3.62</b>                 |
| <b>Total Comprehensive Income</b>   |       | <b>902.35</b>               | <b>1,265.94</b>             |
| Earnings per equity share (of Rs 10 each)                                       | 27    |                             |                             |
| Basic (Rs)  |       | 8.99                        | 12.70                       |
| Diluted (Rs)  |       | 8.99                        | 12.70                       |

The above statement of profit and loss account 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 Chandiok & Co LLP

#### Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### Anamitra Das

Partner

Membership No.: 062191

Place: Gurugram

Date: 25<sup>th</sup> June 2021

#### 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 March 2021**
*(All amounts in Rs. lacs, unless otherwise stated)*

| Particular   | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                  |                             |                             |
| Profit before tax  | 1,214.78                    | 1,670.57                    |
| <b>Adjustments for:</b>  |                             |                             |
| Depreciation expense   | 468.00                      | 500.13                      |
| Interest expense   | 33.11                       | 24.44                       |
| Interest income  | (272.78)                    | (415.19)                    |
| Loss on sale of property plant and equipments (net)                            | -                           | 0.26                        |
| Unrealised foreign exchange (gain)/loss (net)                                  | (36.33)                     | 27.25                       |
| Excess provision no longer required written back                               | (32.62)                     | (14.74)                     |
| Provision for doubtful debts   | (2.89)                      | (33.98)                     |
| Advances written off   | 1.19                        | -                           |
| <b>Operating profit before working capital changes</b>                         | <b>1,372.46</b>             | <b>1,758.74</b>             |
| <b>Movement in working capital:</b>  |                             |                             |
| (Increase) /Decrease in inventories  | (253.12)                    | 22.12                       |
| Decrease/(Increase) in other current and non-current financial assets          | 36.07                       | (23.07)                     |
| Decrease/(Increase) in other current and non-current assets                    | 90.55                       | (45.00)                     |
| Decrease/(Increase) in trade receivables                                       | 1,915.48                    | (391.18)                    |
| Increase in current and non-current provisions                                 | 51.30                       | 25.36                       |
| Increase/(Decrease) in other current and non-current liabilities               | 48.94                       | (38.77)                     |
| (Decrease)/Increase in trade payables  | (194.91)                    | 530.81                      |
| Cash flow from operating activities post working capital changes               | 3,066.77                    | 1,839.01                    |
| Income tax paid (net)  | (378.06)                    | (535.21)                    |
| <b>Net cash generated from operating activities (A)</b>                        | <b>2,688.71</b>             | <b>1,303.80</b>             |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>                                 |                             |                             |
| Purchase of property, plant and equipment (including capital work-in-progress) | (1,234.17)                  | (246.87)                    |
| Inter-corporate deposit given during the year                                  | (2,200.00)                  | (1,300.00)                  |
| Inter-corporate deposit payment received during the year                       | 2,200.00                    | 5,660.00                    |
| Interest received  | 308.05                      | 427.67                      |
| Movement in other bank balances (net)  | 1,500.00                    | 865.63                      |
| <b>Net cash generated from investing activities (B)</b>                        | <b>573.88</b>               | <b>5,406.43</b>             |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>                                 |                             |                             |
| Repayment of Lease liabilities   | (99.08)                     | (99.08)                     |
| Interest paid  | 0.79                        | (1.28)                      |
| Payment of dividend (inclusive of tax for previous year)                       | (870.00)                    | (753.47)                    |
| <b>Net cash used in financing activities (C)</b>                               | <b>(968.29)</b>             | <b>(853.83)</b>             |
| Increase in cash and cash equivalents (A+B+C)                                  | 2,294.30                    | 5,856.40                    |
| Cash and cash equivalents at the beginning of the year                         | 6,036.34                    | 179.94                      |
| Cash and cash equivalents at the end of the year                               | 8,330.64                    | 6,036.34                    |
| <b>Cash and cash equivalents as per above comprise of the following</b>        | <b>31 March 2021</b>        | <b>31 March 2020</b>        |
| <b>(refer note no 8)</b>   |                             |                             |
| With banks - on current account  | 527.56                      | 336.34                      |
| Deposits with original maturity for less than three months                     | 7,803.08                    | 5,700.00                    |
|  | <b>8,330.64</b>             | <b>6,036.34</b>             |

This is the statement of cash flow 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 Chandio & Co LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner

Membership No.: 062191

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

**Vinod Kumar Hans**

Director

DIN-03328309

**Manish Chadha**

Chief Finance Officer and Director

DIN :07195652

Place: Gurugram

Date: 25<sup>th</sup> June 2021

**Dr. Khalid Iqbal Khan**

Director

DIN-05253556

**Abhishek Nagar**

Company Secretary

Membership No.: F9029





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Federal-Mogul TPR (India) Limited

#### Statement of changes in Equity as at 31 March 2021

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

#### A) Equity share capital

| Particulars          | Balance as at 01 April 2019 | Change in equity share capital during the year | Balance as at 31 March 2020 | Change in equity share capital during the year | Balance as at 31 March 2021 |
|----------------------|-----------------------------|--|-----------------------------|--|-----------------------------|
| Equity share capital | 1,000.00                    | -  | 1,000.00                    | -  | 1,000.00                    |

#### B) Other equity

| Particulars  | Reserves and surplus |                            |                   |                  |
|--|----------------------|----------------------------|-------------------|------------------|
|  | General reserve      | Capital redemption reserve | Retained earnings | Total            |
| <b>Balance as at 01 April 2019</b>   | <b>1,295.00</b>      | <b>1,000.00</b>            | <b>9,670.08</b>   | <b>11,965.08</b> |
| Additions during the year:   |                      |                            |                   |                  |
| Profit for the year  | -                    | -                          | 1,269.56          | 1,269.56         |
| <b>Other Comprehensive income for the year ended</b>                                 |                      |                            |                   |                  |
| Remeasurement of defined benefit obligation gain (net of tax)                        | -                    | -                          | (3.62)            | (3.62)           |
| Dividend paid including dividend distribution tax (Rs. 6.25 per share excluding DDT) | -                    | -                          | (753.47)          | (753.47)         |
| <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 31 March 2021</b>   | <b>1,295.00</b>      | <b>1,000.00</b>            | <b>10,214.90</b>  | <b>12,509.90</b> |

This is the Statement of changes in equity referred to in our report of even date.

#### For Walker Chandiok & Co LLP

#### Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### Anamitra Das

Partner

Membership No.: 062191

Place: Gurugram

Date: 25<sup>th</sup> June 2021

#### 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 2021**

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

**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 standalone financial statements.

**(b) Recent accounting pronouncements**
**Amendments to Schedule III of the Companies Act, 2013**

On 24 March 2021, the Ministry of Corporate Affairs ('MCA') through a notification, amended Schedule III of the Act. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The revised Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, prescribes amendments for various additional disclosures. The Company is evaluating the requirements of these amendments and their impact on the financial statements.

**2.2 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 2021 were authorized and approved for issue by the Board of Directors on 25 June 2021.

**2.3 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.

**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.





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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

#### d) 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      | 7.5 to 21 years                  |
| Computers              | 3 years                          |
| Furniture and fixtures | 10 years                         |
| Vehicles               | 8 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 income statement when the asset is derecognised.

#### e) 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.

#### f) 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.

#### g) 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 –



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

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

- 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.

**h) 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





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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

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.

#### i) 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.

#### j) 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:<br>- 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.



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

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

**k) 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 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

**l) 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.





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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

#### m) 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.

#### n) 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 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.

#### o) 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



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

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

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).

**p) 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.

**q) 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.

**r) 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.

**s) 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.





## FEDERAL-MOGUL TPR (INDIA) LIMITED

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### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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

**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 March 2021**
*(All amounts in Rs. lacs, unless otherwise stated)*
**3. Property plant and equipments**

|   | <b>Furniture<br/>and fittings<br/>and office<br/>equipmen</b> | <b>Plant<br/>and<br/>machinery</b> | <b>Vehicles</b> | <b>Total</b>    | <b>Right-of<br/>-use<br/>assets<br/>(ROU)</b> | <b>Capital<br/>work-in<br/>-progress</b> |
|---|---|------------------------------------|-----------------|-----------------|---|--|
| <b>Gross carrying amount</b>                                |   |                                    |                 |                 |   |  |
| Opening gross carrying amount as on 1 April 2019            | 59.62   | 8,565.56                           | 4.23            | 8,629.41        | -   | 23.00                                    |
| Additions   | -   | 33.81                              | -               | 33.81           | 320.34  | 634.18                                   |
| Disposals /adjustments                                      | -   | (5.97)                             | -               | (5.97)          | -   | (24.30)                                  |
| <b>Gross carrying amount as on 31 March 2020</b>            | <b>59.62</b>  | <b>8,593.40</b>                    | <b>4.23</b>     | <b>8,657.25</b> | <b>320.34</b>                                 | <b>632.88</b>                            |
| <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>Accumulated depreciation</b>                             |   |                                    |                 |                 |   |  |
| Opening accumulated depreciation as on 01 April 2019        | 16.01   | 4,838.88                           | 1.04            | 4,855.93        | -   |  |
| Depreciation charge during the year                         | 4.76  | 409.45                             | 0.46            | 414.67          | 85.46   |  |
| Disposals / Adjustments                                     | -   | (5.70)                             | -               | (5.70)          | -   |  |
| <b>Closing accumulated depreciation as on 31 March 2020</b> | <b>20.77</b>  | <b>5,242.63</b>                    | <b>1.50</b>     | <b>5,264.90</b> | <b>85.46</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>Net carrying amount as on 31 March 2020</b>              | <b>38.85</b>  | <b>3,350.77</b>                    | <b>2.73</b>     | <b>3,392.35</b> | <b>234.88</b>                                 | <b>632.88</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>                            |

Refer note no. 44 for disclosure on capital commitments.

There is no property plant &amp; equipments which are pledged or under lien.





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2021

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

#### 4. Income-tax assets

|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| Income-tax assets                             |                        |                        |
| Advance taxes paid (net of provision for tax) | 245.22                 | 189.09                 |
|   | <b>245.22</b>          | <b>189.09</b>          |

#### 5. Other assets

|   | As at<br>31 March 2021<br>Non<br>current | As at<br>31 March 2020<br>Non<br>current | As at<br>31 March 2020<br>Current |
|---|--|--|-----------------------------------|
| Advances other than capital advance           | -  | 22.40                                    | -                                 |
| Capital advances (Unsecured, considered good) | 118.76                                   | -  | -                                 |
| Prepaid expenses                              | -  | 13.30                                    | 0.37                              |
| Paid to government authorities under protest  | 79.18                                    | -  | 76.28                             |
| Other receivables                             | -  | 27.63                                    | -                                 |
|   | <b>197.94</b>                            | <b>63.33</b>                             | <b>76.65</b>                      |
|   |  |  | <b>156.41</b>                     |

#### 6. Inventories (Valued at lower of cost and net realisable value)

|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| Raw material and components (includes stock in transit of ₹ 200.13 lacs (previous year ₹ 4.29 lacs) | 677.00                 | 510.64                 |
| Stores and spares   | 124.86                 | 93.89                  |
| Work-in-progress  | 319.79                 | 231.42                 |
| Finished goods  | 210.05                 | 242.62                 |
|   | <b>1,331.70</b>        | <b>1,078.57</b>        |

Note : The cost of inventories recognised as an expense includes ₹ 16.05 lacs (previous year ₹ 5.26 lacs) in respect of write-downs of inventory to net realisable value. The same has been included in note 20 and 21.

#### 7. Trade receivables

|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Unsecured, considered good                     | 937.71                 | 2,851.48               |
| Unsecured, significant increase in credit risk | 8.90                   | 12.52                  |
|  | <b>946.61</b>          | <b>2,864.00</b>        |
| Less: Allowance for expected credit loss       | (8.90)                 | (12.52)                |
|  | <b>937.71</b>          | <b>2,851.48</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 37 for provision for doubtful debts.
3. Refer note 39 for balances due from related party.



**Notes to financial statement for the year ended 31 March 2021**
*(All amounts in Rs. lacs, unless otherwise stated)*
**8. Cash and bank balances**

|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>a) Cash and cash equivalents</b>  |                        |                        |
| Balances with scheduled banks:   |                        |                        |
| - Current accounts   | 527.56                 | 336.34                 |
| Deposits with original maturity for less than three months                     | 7,803.08               | 5,700.00               |
|  | <b>8,330.64</b>        | <b>6,036.34</b>        |
| <b>b) Other bank balances</b>  |                        |                        |
| Deposits with original maturity for more than 3 months but less than 12 months | -                      | 1,500.00               |
|  | <b>-</b>               | <b>1,500.00</b>        |

**9. Other financial assets**

|                              | As at<br>31 March 2021 | As at<br>31 March 2020 |
|------------------------------|------------------------|------------------------|
| Other receivables            | -                      | 36.06                  |
| Interest accrued on deposits | -                      | 35.27                  |
|                              | <b>-</b>               | <b>71.33</b>           |





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2021

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

#### 10. Equity share capital

| Particulars   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <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.

- 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.
- 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                     | 31 March 2021<br>No. % holding |        | 31 March 2020<br>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%  |
| TPR Co. Limited, Japan                      | 40,00,000                      | 40.00% | 40,00,000                      | 40.00% |

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

(e) 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 2021**
*(All amounts in Rs. lacs, unless otherwise stated)*
**11. Other equity**

|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <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>        |
| <b>Capital redemption reserve</b>   |                        |                        |
| 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   | 10,182.55              | 9,670.08               |
| Add: Net profit for the year  | 898.76                 | 1,269.56               |
| Items of other comprehensive income recognised directly in retained earnings:             |                        |                        |
| Add/(Less): Remeasurements of the post employment defined benefit plans gain (net of tax) | 3.59                   | (3.62)                 |
| Less: Dividend paid   | (870.00)               | (625.00)               |
| Less: Dividend distribution tax   | -                      | (128.47)               |
|   | <b>10,214.90</b>       | <b>10,182.55</b>       |
|   | <b>12,509.90</b>       | <b>12,477.55</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 2021

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

#### 12. Provisions

|   | 31 March 2021<br>Non<br>Current | As at<br>31 March 2021<br>Current | 31 March 2020<br>Non<br>Current | As at<br>31 March 2020<br>Current |
|---|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| <b>Provision for employee benefits (refer Note no 42)</b> |                                 |                                   |                                 |                                   |
| Provision for gratuity                                    | 136.12                          | 3.09                              | 119.85                          | 3.46                              |
| Provision for compensated absences                        | 39.10                           | 5.41                              | 28.35                           | 5.84                              |
| Provision for regulatory matters (refer note (a) below)   | 63.11                           | 0.00                              | 42.83                           | -                                 |
|   | <b>238.33</b>                   | <b>8.50</b>                       | <b>191.03</b>                   | <b>9.30</b>                       |

#### Note (a)

| Provisions movement                        | 31 March 2021<br>Amount | 31 March 2020<br>Amount |
|--|-------------------------|-------------------------|
| Opening balance                            | 42.83                   | 20.42                   |
| Provision/adjustments made during the year | 20.28                   | 22.41                   |
| Utilised during the year                   | -                       | -                       |
| Closing balance                            | <b>63.11</b>            | <b>42.83</b>            |

#### 13. Deferred tax liabilities (net)

|   | As at<br>1 April<br>2019 | Recognised<br>in statement<br>of profit<br>& loss | Recognised<br>in other<br>comprehen-<br>sive income | As at<br>31 March<br>2020 | Recognised<br>in statement<br>of profit<br>& loss | Recognised<br>in other<br>comprehen-<br>sive income | As at<br>31 March<br>2021 |
|---|--------------------------|---|---|---------------------------|---|---|---------------------------|
| <b>Deferred tax liabilities</b>   |                          |   |   |                           |   |   |                           |
| On account of difference in written down value of property, plant and equipment | 337.58                   | (53.21)   | -   | 284.37                    | 5.97  | -   | 290.34                    |
| <b>Deferred tax assets</b>  |                          |   |   |                           |   |   |                           |
| Provision for employees benefits  | 37.12                    | 1.35  | 1.22  | 39.69                     | 11.54   | (1.21)  | 50.02                     |
| Provision for doubtful debts and advances                                       | 4.77                     | (1.62)  | -   | 3.15                      | (0.91)  | -   | 2.24                      |
| Others  | 13.14                    | 4.54  | -   | 17.68                     | 1.25  | -   | 18.93                     |
| <b>Total</b>  | <b>282.55</b>            | <b>(57.48)</b>                                    | <b>(1.22)</b>                                       | <b>223.85</b>             | <b>(5.91)</b>                                     | <b>1.21</b>   | <b>219.15</b>             |



**Notes to financial statement for the year ended 31 March 2021**
*(All amounts in Rs. lacs, unless otherwise stated)*
**14. Trade payables**

| Particulars   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| Dues of micro and small enterprises (refer Note no 34 for details of dues to micro and small enterprises) | <b>60.73</b>           | 39.46                  |
| Dues of creditors other than micro and small enterprises  | <b>1,286.60</b>        | 1,571.73               |
|   | <b>1,347.33</b>        | <b>1,611.19</b>        |

Refer note 39 for balances due to related party.

**15. Lease liabilities**

|                   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|-------------------|------------------------|------------------------|
|                   | Non Current            | Non Current            |
| Lesae liabilities | <b>320.29</b>          | 161.32                 |
|                   | <b>320.29</b>          | <b>82.66</b>           |

**16. Other financial liabilities**

|                               | As at<br>31 March 2021 | As at<br>31 March 2020 |
|-------------------------------|------------------------|------------------------|
| Payables to capital creditors | <b>50.87</b>           | 396.80                 |
|                               | <b>50.87</b>           | <b>396.80</b>          |

**17. Other current liabilities**

|                        | As at<br>31 March 2021 | As at<br>31 March 2020 |
|------------------------|------------------------|------------------------|
| Advance from customers | <b>16.90</b>           | 4.17                   |
| Statutory liabilities  | <b>96.68</b>           | 60.48                  |
| Others                 | <b>1.70</b>            | 1.63                   |
|                        | <b>115.28</b>          | <b>66.28</b>           |





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2021

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

#### 18. Revenue from operations

|                                | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--------------------------------|-----------------------------|-----------------------------|
| <b>Revenue from operations</b> |                             |                             |
| <b>Sale of products</b>        |                             |                             |
| Sale of goods                  | 9,063.46                    | 9,490.55                    |
| <b>Other operating revenue</b> |                             |                             |
| Scrap sales                    | 7.08                        | 9.28                        |
| <b>Revenue from operations</b> | <b>9,070.54</b>             | <b>9,499.83</b>             |

1. Refer note no. 40 for the disclosure in relation to Ind AS 115

#### 19. Other income

|  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Interest income on                               |                             |                             |
| Fixed deposits with banks                        | 257.86                      | 268.83                      |
| Others*  | 14.92                       | 146.36                      |
| Foreign exchange fluctuation (net)               | 8.69                        | -                           |
| Excess provision no longer required written back | 35.51                       | 48.72                       |
| Miscellaneous income                             | 18.68                       | 17.90                       |
|  | <b>335.66</b>               | <b>481.81</b>               |

\*including interest on intercompany deposits

#### 20. Cost of material consumed

|                                 | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---------------------------------|-----------------------------|-----------------------------|
| Opening stock                   | 510.64                      | 520.36                      |
| Add: Purchases                  | 3,000.16                    | 2,733.51                    |
| Less: closing stock             | (476.87)                    | (510.64)                    |
| <b>Raw material consumption</b> | <b>3,033.93</b>             | <b>2,743.23</b>             |



**Notes to financial statement for the year ended 31 March 2021**
*(All amounts in Rs. lacs, unless otherwise stated)*
**21. Changes in inventories of finished goods and work-in-progress**

|                            | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|----------------------------|-----------------------------|-----------------------------|
| <b>Opening stock</b>       |                             |                             |
| Work-in-progress           | 231.42                      | 262.03                      |
| Finished goods             | 242.62                      | 220.63                      |
|                            | <b>474.04</b>               | <b>482.66</b>               |
| <b>Less: Closing stock</b> |                             |                             |
| Work-in-progress           | 319.79                      | 231.42                      |
| Finished goods             | 210.05                      | 242.62                      |
|                            | <b>529.84</b>               | <b>474.04</b>               |
|                            | <b>(55.80)</b>              | <b>8.62</b>                 |

**22. Employee benefits expense**

|   | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|-----------------------------|-----------------------------|
| Salaries, wages and bonus                 | 758.05                      | 763.00                      |
| Contribution to provident and other funds | 34.47                       | 35.24                       |
| Gratuity expense (refer note no. 42)      | 20.70                       | 18.71                       |
| Staff welfare expenses                    | 23.04                       | 3.59                        |
|   | <b>836.26</b>               | <b>820.54</b>               |

**23. Finance cost**

|             | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|-------------|-----------------------------|-----------------------------|
| Interest    |                             |                             |
| - to others | 33.11                       | 24.44                       |
|             | <b>33.11</b>                | <b>24.44</b>                |

**24. Depreciation expense (refer note no 3)**

|  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipments | 397.87                      | 414.67                      |
| Depreciation of right-of-use assets            | 70.13                       | 85.46                       |
|  | <b>468.00</b>               | <b>500.13</b>               |





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2021

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

#### 25. Other expenses

|  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Consumption of stores and spares                           | 845.15                      | 956.32                      |
| Sub-contracting expenses                                   | 64.27                       | 59.35                       |
| Job work expenses  | 1,350.99                    | 1,386.73                    |
| Power and fuel   | 196.68                      | 220.18                      |
| Freight and forwarding charges                             | 69.59                       | 38.50                       |
| Rent   | 12.41                       | 13.00                       |
| Rates and taxes  | 21.40                       | 21.97                       |
| Insurance  | 25.93                       | 17.21                       |
| Repairs and maintenance                                    |                             |                             |
| Plant and machinery  | 20.71                       | 11.59                       |
| Buildings  | 0.40                        | 10.25                       |
| Others   | 0.07                        | 18.82                       |
| Selling and distribution expense                           | 36.55                       | 37.05                       |
| Management support charges                                 | 581.50                      | 631.24                      |
| Royalty and trade-mark license fees                        | 103.28                      | 127.46                      |
| Sole selling commission                                    | 401.67                      | 449.02                      |
| Product rectification charges                              | 0.74                        | 0.77                        |
| Travelling and conveyance                                  | 2.01                        | 24.76                       |
| Corporate social responsibility expense (refer note no.33) | 42.85                       | 45.12                       |
| Printing and stationery                                    | 2.24                        | 3.46                        |
| Legal and professional fees                                | 66.71                       | 70.60                       |
| Auditors remuneration (refer details below)*               | 7.25                        | 9.25                        |
| Advances written off                                       | 1.28                        | -                           |
| Loss on sale of property plant & equipment (net)           | -                           | 0.26                        |
| Foreign exchange fluctuation (net)                         | -                           | 36.04                       |
| Bank charges   | 11.38                       | 13.50                       |
| Miscellaneous expenses                                     | 10.86                       | 11.66                       |
|  | <b>3,875.92</b>             | <b>4,214.11</b>             |

#### \*Auditors remuneration

|                       |             |             |
|-----------------------|-------------|-------------|
| - Statutory audit fee | 6.25        | 6.25        |
| - Tax audit fee       | 1.00        | 1.00        |
| - Others              | -           | 2.00        |
|                       | <b>7.25</b> | <b>9.25</b> |



**Notes to financial statement for the year ended 31 March 2021**
*(All amounts in Rs. lacs, unless otherwise stated)*
**26. Tax expense**

|                              | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|------------------------------|-----------------------------|-----------------------------|
| Current tax                  | 339.92                      | 453.65                      |
| Tax related to earlier years | (17.99)                     | 4.84                        |
| Deferred tax                 | (5.91)                      | (57.48)                     |
|                              | <b>316.02</b>               | <b>401.01</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>1,214.78</b> | <b>1,670.57</b> |
| At country's statutory income tax rate of 25.17% (previous year: 25.17%) | 305.74          | 420.45          |
| Effect of change in tax rate   | -               | (38.35)         |
| Tax effect on permanent non deductible expenses                          | 13.37           | 11.53           |
| Tax related to earlier years   | (17.99)         | 4.84            |
| Others   | 14.90           | 2.54            |
|  | <b>316.02</b>   | <b>401.01</b>   |
| <b>Tax rate</b>  |                 |                 |
| Base rate  | 22.000%         | 22.000%         |
| Surcharge  | 2.200%          | 2.200%          |
| Education cess   | 0.968%          | 0.968%          |
| Total  | <b>25.168%</b>  | <b>25.168%</b>  |

**27. Earnings per share**

|  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Profit for the year as per Statement of Profit and Loss                          | 898.76                      | 1,269.56                    |
| Weighted average number of equity shares<br>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 (₹)  | 8.99                        | 12.70                       |

**28. Event occurring after the reporting period**

During the year 31 March 2021, the amount of per share dividend proposed by the Board of Directors to equity shareholders is ₹ 5.80 (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 2021

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

#### 29. Contingent liabilities

| Particulars   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| (i) <b>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 | 584.09                 | 852.54                 |
| (ii) <b>Income tax</b>  |                        |                        |
| (a) Show cause notices on issues yet to be adjudicated  | 9.75                   | 9.71                   |
| (iii) <b>Sales tax</b>  |                        |                        |
| (a) Cases pending before Appellate authorities/ Dispute resolution panel in respect of which the Company has filed appeals                | 449.27                 | -                      |

#### 30. Segment information

In accordance with Ind AS 108, 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 three customers amounts to ₹ 8,188.23 Lacs (previous year ₹ 7,670.87 Lacs). No other single customer represents 10% or more to the Group revenue for financial year ended March 31, 2021 and March 31, 2020.

#### 31. Leases

##### (i) Lease liabilities

The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2020

| Particulars                   | As at<br>31 March 2020 |
|-------------------------------|------------------------|
| Non-current lease liabilities | 161.32                 |
| Current lease liabilities     | 82.66                  |
|                               | <b>243.98</b>          |

The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2021

| Particulars                   | As at<br>31 March 2021 |
|-------------------------------|------------------------|
| Non-current lease liabilities | 320.29                 |
| Current lease liabilities     | 70.52                  |
|                               | <b>390.81</b>          |



**Notes to financial statement for the year ended 31 March 2021**
*(All amounts in Rs. lacs, unless otherwise stated)*
**The following is the movement in lease liabilities for the year ended 31 March 2020**

| <b>Particulars</b>                   | <b>As at<br/>31 March 2020</b> |
|--------------------------------------|--------------------------------|
| As at 01 April 2019                  | 320.34                         |
| Additions                            | -                              |
| Finance cost accrued during the year | 22.72                          |
| Deletions                            | -                              |
| Payment of lease liabilities         | (99.08)                        |
|                                      | <b>243.98</b>                  |

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

| <b>Particulars</b>                   | <b>As at<br/>31 March 2021</b> |
|--------------------------------------|--------------------------------|
| As at 01 April 2020                  | 243.98                         |
| Additions                            | 212.07                         |
| Finance cost accrued during the year | 33.84                          |
| Deletions                            | -                              |
| Payment of lease liabilities         | (99.08)                        |
|                                      | <b>390.81</b>                  |

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

| <b>Particulars</b>   | <b>As at<br/>31 March 2020</b> |
|----------------------|--------------------------------|
| Less than one year   | 99.08                          |
| One to five years    | 173.39                         |
| 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.**

| <b>Particulars</b>   | <b>As at<br/>31 March 2021</b> |
|----------------------|--------------------------------|
| Less than one year   | 99.08                          |
| One to five years    | 371.55                         |
| 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.





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2021

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

#### The following are the amounts recognised in profit or loss:

| Particulars  | As at<br>31 March 2021 |
|--|------------------------|
| Depreciation expense of right-of-use assets                        | 85.46                  |
| Interest expense on lease liabilities                              | 22.72                  |
| Expense relating to short-term leases (included in other expenses) | 13.00                  |
|  | <b>121.18</b>          |

#### The following are the amounts recognised in profit or loss:

| Particulars  | As at<br>31 March 2020 |
|--|------------------------|
| 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>          |

#### (ii) Lease related disclosures

- The Company has leases for Land and 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 Land and buildings.
- Total cash outflow for leases for the year ended 31 March 2021 was ₹ 99.08 lacs.
- 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.
- 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                | 57 months               | 57 months                    | 1                                      | -                                     | 1  |

- There are no leases which are yet to commence as on 31 March 2021.



**Notes to financial statement for the year ended 31 March 2021**

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

**32.** 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.

**33. 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 ₹ 42.79 lacs (previous year ₹ 45.01 lacs)
- b) Amount spent during the year on:

| Particulars                               | Classification | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|----------------|-----------------------------|-----------------------------|
| (i) Construction/acquisition of any asset |                | -                           | 22.07                       |
| (ii) On purposes other than (i) above     |                | <b>42.85</b>                | 23.05                       |
|   |                | <b>42.85</b>                | <b>45.12</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* |
|-----------------|---|------------------------------|------------------|
| -               | <b>42.79</b>                                | <b>42.85</b>                 | -                |

- 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 |
| -               | -                           | <b>42.79</b>                                | <b>42.85</b>                 | -                             | -                | -                           |

\* refer point (e) of note no. 33





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2021

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

34. 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<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| a) The principal amount remaining unpaid as at the end of year  | 60.73                  | 39.46                  |
| 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.  | 0.06                   | 0.43                   |
| e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and  | 1.69                   | 1.63                   |
| 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 | -                      | -                      |

### 35. Assets pledged as security

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

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>Current assets</b>  |                        |                        |
| Inventories, cash and cash equivalents and trade receivables | 10,600.05              | 9,966.39               |
| <b>Total current assets pledged as security</b>              | <b>10,600.05</b>       | <b>9,966.39</b>        |



**Notes to financial statement for the year ended 31 March 2021**

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

**36. 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.

**37. Financial risk management**
**i) Financial instruments by category**

| Particulars                  | Classification | As at<br>31 March 2021 | As at<br>31 March 20120 |
|------------------------------|----------------|------------------------|-------------------------|
| <b>Financial assets</b>      |                |                        |                         |
| Trade receivables            | Amortised Cost | 937.71                 | 2,851.48                |
| Cash and cash equivalents    | Amortised Cost | 8,330.64               | 6,036.34                |
| Other bank balances          | Amortised Cost | -                      | 1,500.00                |
| Other                        | Amortised Cost | -                      | 71.33                   |
| <b>Total</b>                 |                | <b>9,268.35</b>        | <b>10,459.15</b>        |
| <b>Financial liabilities</b> |                |                        |                         |
| Trade payable                | Amortised Cost | 1,347.33               | 1611.19                 |
| Lease Liabilities            | Amortised Cost | 390.81                 | 243.98                  |
| Other financial liabilities  | Amortised Cost | 50.87                  | 396.80                  |
| <b>Total</b>                 |                | <b>1,789.01</b>        | <b>2,251.97</b>         |





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2021

(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 ratingParticulars |                           | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--------------------------|---------------------------|------------------------|------------------------|
| A: Low                   | Other bank balances       | -                      | 1,500.00               |
|                          | Cash and cash equivalents | 8,330.64               | 6,036.34               |
|                          | Other financial assets    | -                      | 71.33                  |
|                          | Trade receivables         | 937.71                 | 2,851.48               |
| B: High                  | Trade receivables         | 8.90                   | 12.52                  |

#### 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.



**Notes to financial statement for the year ended 31 March 2021**
*(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<br>31 March 2021 |               | As at<br>31 March 2020 |               |
|--|------------------------|---------------|------------------------|---------------|
|  | >365<br>days           | <=365<br>days | >365<br>days           | <=365<br>days |
| Gross amount of trade receivables where no default (as defined above) has occurred | 8.90                   | 937.71        | 12.52                  | 2,851.48      |
| Expected loss rate   | 100%                   | 0.00%         | 100%                   | 0.00%         |
| Expected credit loss( loss allowance provision)                                    | 8.90                   | 0.00          | 12.52                  | -             |

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

| Reconciliation of loss allowance                    | Trade receivable |
|---|------------------|
| <b>Loss allowance as on 1 April 2019</b>            | 16.40            |
| Impairment loss recognised/reversed during the year | (3.88)           |
| <b>Loss allowance on 31 March 2020</b>              | <b>12.52</b>     |
| Impairment loss recognised/reversed during the year | (3.62)           |
| <b>Loss allowance on 31 March 2021</b>              | <b>8.90</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 2021

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

| 31 March 2021               | less than<br>1 year | 1-3<br>year   | 3-5<br>year   | More than<br>5 years | Total           |
|-----------------------------|---------------------|---------------|---------------|----------------------|-----------------|
| Trade payable               | 1,347.33            | -             | -             | -                    | 1,347.33        |
| Lease liabilities           | 70.52               | 158.94        | 161.35        | -                    | 390.81          |
| Other financial liabilities | 50.87               | -             | -             | -                    | 50.87           |
| <b>Total</b>                | <b>1,468.72</b>     | <b>158.94</b> | <b>161.35</b> | <b>-</b>             | <b>1,789.01</b> |

| 31 March 2020               | less than<br>1 year | 1-3<br>year   | 3-5<br>year | More than<br>5 years | Total           |
|-----------------------------|---------------------|---------------|-------------|----------------------|-----------------|
| Trade payable               | 1,611.19            | -             | -           | -                    | 1,611.19        |
| Lease liabilities           | 82.66               | 161.32        | -           | -                    | 243.98          |
| Other financial liabilities | 396.80              | -             | -           | -                    | 396.80          |
| <b>Total</b>                | <b>2,090.65</b>     | <b>161.32</b> | <b>-</b>    | <b>-</b>             | <b>2,251.97</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<br>31 March 2021 | As at<br>31 March 2020 |
|--|-----|------------------------|------------------------|
| <b>Financial liabilities- Trade payable</b>                |     |                        |                        |
|  | USD | <b>95.08</b>           | 43.16                  |
|  | EUR | -                      | 2.27                   |
|  | JPY | <b>295.70</b>          | 492.25                 |
|  | CNY | <b>59.40</b>           | 150.79                 |
| <b>Net exposure to foreign currency risk (liabilities)</b> |     | <b>450.18</b>          | <b>688.47</b>          |



**Notes to financial statement for the year ended 31 March 2021**
*(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<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>USD sensitivity</b>                               |                        |                        |
| INR/USD- increase by 500 bp (previous year: 500 bp)* | (4.75)                 | (2.16)                 |
| INR/USD- decrease by 500 bp (previous year: 500 bp)* | 4.75                   | 2.16                   |
| <b>EUR sensitivity</b>                               |                        |                        |
| INR/EUR- increase by 500 bp (previous year: 500 bp)* | -                      | (0.11)                 |
| INR/EUR- decrease by 500 bp (previous year: 500 bp)* | -                      | 0.11                   |
| <b>JPY sensitivity</b>                               |                        |                        |
| INR/JPY- increase by 500 bp (previous year: 500 bp)* | (14.78)                | (24.61)                |
| INR/JPY- decrease by 500 bp (previous year: 500 bp)* | 14.78                  | 24.61                  |
| <b>CNY sensitivity</b>                               |                        |                        |
| INR/CNY- increase by 500 bp (previous year: 500 bp)* | (2.97)                 | (7.54)                 |
| INR/CNY- decrease by 500 bp (previous year: 500 bp)* | 2.97                   | 7.54                   |

\* 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 2021

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

#### 38. 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<br>31 March 2021 | As at<br>31 March 2020 |
|---------------------|------------------------|------------------------|
| Total debt          | -                      | -                      |
| Total equity        | 13,509.90              | 13,477.55              |
| <b>Equity ratio</b> | <b>100.00%</b>         | <b>100.00%</b>         |

#### 39. (i) 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 |
| TPR Co. Limited Japan                              | Common control with Holding Company |
| Anqing Tp Goetze Piston                            | 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                   |
| 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 & Director    |
| Mr. Rajesh Sinha                                   | Director                            |
| Mr. Toshiaki Imai                                  | Director                            |
| Mr. Abhishek Nagar (From 03 September 2019)        | Company Secretary                   |
| Mr. Anand Kumar Sahoo (Till 22 August 2019)        | Company Secretary                   |
| Mr. Kapil Arora (Till 18 April 2020)               | Manager                             |



**Notes to financial statement for the year ended 31 March 2021**
*(All amounts in Rs. lacs, unless otherwise stated)*
**39. (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       |                             | Anqing TP Goetze Piston     |                             | PT TPR Indonesia            |                             | TPR (Tianjin), Limited      |                             |
|  | 31 March 2021<br>Year ended       | 31 March 2020<br>Year ended | 31 March 2021<br>Year ended         | 31 March 2020<br>Year ended | 31 March 2021<br>Year ended | 31 March 2020<br>Year ended | 31 March 2021<br>Year ended | 31 March 2020<br>Year ended | 31 March 2021<br>Year ended | 31 March 2020<br>Year ended | 31 March 2021<br>Year ended | 31 March 2020<br>Year ended |
| Sales#   | 5,886.70                          | 5,255.07                    | -                                   | -                           | (2.33)                      | 6.25                        | -                           | -                           | -                           | -                           | -                           | -                           |
| Purchase of raw material, intermediaries and finished goods# | 1,428.14                          | 956.50                      | -                                   | -                           | 10.60                       | 27.56                       | 7.55                        | 210.17                      | 100.84                      | 3.63                        | 8.48                        | 2.60                        |
| Purchase of property, plant and equipment #                  | 309.27                            | -                           | -                                   | -                           | 21.27                       | -                           | -                           | -                           | -                           | -                           | -                           | 146.80                      |
| Dividend Paid  | 443.70                            | 318.75                      | 78.30                               | 56.25                       | 348.00                      | 250.00                      | -                           | -                           | -                           | -                           | -                           | -                           |
| Management support charges                                   | 581.50                            | 631.24                      | -                                   | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           |
| Job work expenses  | 1,350.99                          | 1,386.73                    | -                                   | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           |
| Sole selling commission paid                                 | 401.67                            | 449.02                      | -                                   | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           |
| Expenses incurred on Company's behalf                        | -                                 | -                           | -                                   | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           |
| Rent expense   | 99.08                             | 99.08                       | -                                   | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           |
| Royalty Expense  | -                                 | -                           | -                                   | -                           | 103.28                      | 127.46                      | -                           | -                           | -                           | -                           | -                           | -                           |
| Commission-paid  | -                                 | -                           | -                                   | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           |
| Inter-Corporate Deposit (ICD) given                          | 2,200.00                          | 1,300.00                    | -                                   | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           |
| Inter-Corporate Deposit (ICD) received back                  | 2,200.00                          | 5,660.00                    | -                                   | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           |
| Interest on ICD  | 14.92                             | 146.36                      | -                                   | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           |
| Closing balance as on 31 March 2021                          |                                   |                             |                                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Balance outstanding as at the end of the year Receivable     | 239.96                            | 2,191.03                    | -                                   | -                           | 0.96                        | 6.25                        | 7.52                        | 9.59                        | -                           | -                           | -                           | -                           |
| Balance outstanding as at the end of the year (Payable)      | (36.28)                           | (586.40)                    | -                                   | -                           | (34.20)                     | (90.10)                     | -                           | -                           | (63.26)                     | (32.16)                     | -                           | (146.80)                    |





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2021

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

#### 39. (ii) Related Party Transactions

| Particulars  | Fellow SubsidiaryTotal         |                             |  |                             |                                      |                             |                             |                             |
|--|--------------------------------|-----------------------------|--|-----------------------------|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | Motocare India Private Limited |                             | Federal Mogul TP Europe GMBH & Co KG, Burscheid JV |                             | TPR Co. Auto Parts Mfg India Limited |                             | Total                       |                             |
|  | 31 March 2021<br>Year ended    | 31 March 2020<br>Year ended | 31 March 2021<br>Year ended                        | 31 March 2020<br>Year ended | 31 March 2021<br>Year ended          | 31 March 2020<br>Year ended | 31 March 2021<br>Year ended | 31 March 2020<br>Year ended |
| Sales#   | 4.04                           | -                           | -  | -                           | -                                    | -                           | 5,888.41                    | 5,261.32                    |
| Purchase of raw material, intermediaries and finished goods# | -                              | -                           | -  | 0.28                        | -                                    | -                           | 1,555.61                    | 1,200.74                    |
| Purchase of property, plant and equipment #                  | -                              | -                           | -  | -                           | -                                    | -                           | 330.54                      | 146.80                      |
| Dividend Paid  | -                              | -                           | -  | -                           | -                                    | -                           | 870.00                      | 625.00                      |
| Management support charges                                   | -                              | -                           | -  | -                           | -                                    | -                           | 581.50                      | 631.24                      |
| Job work expenses  | -                              | -                           | -  | -                           | -                                    | -                           | 1,350.99                    | 1,386.73                    |
| Sole selling commission paid                                 | -                              | -                           | -  | -                           | -                                    | -                           | 401.67                      | 449.02                      |
| Expenses incurred on Company's behalf                        | 29.31                          | 11.32                       | -  | -                           | -                                    | -                           | 29.31                       | 11.32                       |
| Rent expense   | -                              | -                           | -  | -                           | -                                    | -                           | 99.08                       | 99.08                       |
| Royalty Expense  | -                              | -                           | -  | -                           | -                                    | -                           | 103.28                      | 127.46                      |
| Commission-paid  | -                              | -                           | -  | -                           | 23.69                                | 13.29                       | 23.69                       | 13.29                       |
| Inter-Corporate Deposit (ICD) given                          | -                              | -                           | -  | -                           | -                                    | -                           | 2,200.00                    | 1,300.00                    |
| Inter-Corporate Deposit (ICD) received back                  | -                              | -                           | -  | -                           | -                                    | -                           | 2,200.00                    | 5,660.00                    |
| Interest on ICD  | -                              | -                           | -  | -                           | -                                    | -                           | 14.92                       | 146.36                      |
| Closing balance as on 31 March 2021                          |                                |                             |  |                             |                                      |                             |                             |                             |
| Balance outstanding as at the end of the year Receivable     | 4.19                           | 0.15                        | -  | -                           | -                                    | -                           | 252.63                      | 2,207.01                    |
| Balance outstanding as at the end of the year (Payable)      | (8.93)                         | (13.94)                     | (0.28)   | (0.28)                      | (6.10)                               | (2.98)                      | (149.05)                    | (872.66)                    |

#### Key Managerial personnel-Remuneration/ Director's sitting fees

| Mr. Anand Kumar Sahoo       |                             | Mr. Kapil Arora             |                             | Mr. Abhishek Nagar          |                             | Mr. Toshiaki Imai                  |                             |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|-----------------------------|
| 31 March 2021<br>Year ended | 31 March 2020<br>Year ended | 31 March 2021<br>Year ended | 31 March 2020<br>Year ended | 31 March 2021<br>Year ended | 31 March 2020<br>Year ended | 31 March 2021<br>Year ended        | 31 March 2020<br>Year ended |
| -                           | 11.51                       | 9.33                        | 32.41                       | 29.66                       | 17.67                       | 47.00                              | 68.44                       |
|                             |                             |                             |                             |                             |                             | Non-executive director             |                             |
|                             |                             |                             |                             |                             |                             | Mr. Krishnamurthy Naga Subramaniam |                             |
|                             |                             |                             |                             |                             |                             | 31 March 2021<br>Year ended        | 31 March 2020<br>Year ended |
|                             |                             |                             |                             |                             |                             | 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.



**Notes to financial statement for the year ended 31 March 2021**
*(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 Company's revenue from contracts with customers:

| Particulars                                   | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|---|-----------------------------|-----------------------------|
| Revenue from contracts with customers         |                             |                             |
| Sale of products                              | <b>9,063.46</b>             | 9,490.55                    |
| Other operating income                        | <b>7.08</b>                 | 9.28                        |
| <b>Total revenue covered under Ind AS 115</b> | <b>9,070.54</b>             | <b>9,499.83</b>             |

**c. Contract balances**

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

| Particulars                                | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>Contract liabilities</b>                |                        |                        |
| Advances from consumers                    | <b>16.90</b>           | 4.17                   |
| <b>Total contract liabilities</b>          | <b>16.90</b>           | <b>4.17</b>            |
| <b>Receivables</b>                         |                        |                        |
| Trade receivables                          | <b>946.61</b>          | 2,864.00               |
| Less : Allowances for expected credit loss | <b>(8.90)</b>          | (12.52)                |
| <b>Net receivables</b>                     | <b>937.71</b>          | <b>2,851.48</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.





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2021

(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<br>31 March 2021                     | Year Ended<br>31 March 2020                     |
|--|---|---|
|  | Contract Liabilities<br>Advances from customers | Contract Liabilities<br>Advances from customers |
| Opening balance  | 4.17  | 10.12   |
| Addition during the year   | 319.18  | 1.49  |
| Revenue recognised during the year/ amount refunded/adjusted during the year | (306.45)  | (7.44)  |
| <b>Closing balance</b>   | <b>16.90</b>                                    | <b>4.17</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.



**Notes to financial statement for the year ended 31 March 2021**
*(All amounts in Rs. lacs, unless otherwise stated)*
**41. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:**

| Particulars   | Lease liabilities | Dividend |
|---|-------------------|----------|
| Opening balance as on 1 April 2019                  | -                 | -        |
| Add: Non cash changes due to-                       |                   |          |
| - Recognition of lease liabilities                  | 320.34            | -        |
| - Interest expense                                  | 22.72             | -        |
| - Dividend including dividend distribution tax      | -                 | 753.47   |
| Less: Cash outflow during the year                  |                   |          |
| - Repayment of lease liabilities                    | (99.08)           | -        |
| - Dividend paid including dividend distribution tax | -                 | (753.47) |
| <b>Closing balance as on 31 March 2020</b>          | <b>243.98</b>     | <b>-</b> |
| 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>     | <b>-</b> |

**42. Employee benefit obligations**
**A Disclosure of gratuity**
**(i) Amount recognised in the statement of profit and loss is as under:**

| Description  | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Current service cost   | 12.07                       | 10.89                       |
| Interest cost  | 8.63                        | 7.82                        |
| <b>Amount recognised in the statement of profit and loss</b> | <b>20.70</b>                | <b>18.71</b>                |

**(ii) Breakup of actuarial (gain)/loss:**

| Description  | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Actuarial (gain)/loss on arising from change in demographic assumption | 1.46                        | (11.83)                     |
| Actuarial (gain)/loss on arising from change in financial assumption   | 1.00                        | (0.94)                      |
| Actuarial (gain)/loss on arising from experience adjustment            | (7.26)                      | 17.61                       |
| <b>Total actuarial (gain)/loss</b>                                     | <b>(4.80)</b>               | <b>4.84</b>                 |





## FEDERAL-MOGUL TPR (INDIA) LIMITED

### Notes to financial statement for the year ended 31 March 2021

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

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

| Description  | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| <b>Present value of defined benefit obligation as at the start of the year</b> | <b>123.31</b>               | <b>100.85</b>               |
| Current service cost   | 12.07                       | 10.89                       |
| Interest cost  | 8.63                        | 7.82                        |
| Payments made directly to employees  | -                           | (1.09)                      |
| Actuarial (gain)/loss recognised during the year                               | (4.80)                      | 4.84                        |
| <b>Present value of defined benefit obligation as at the end of the year</b>   | <b>139.21</b>               | <b>123.31</b>               |

#### (iv) Actuarial assumptions

| Description           | Year Ended<br>31 March 2021   | Year Ended<br>31 March 2020   |
|-----------------------|---|---|
| Discount rate         | 7.30% p.a.  | 7.10% p.a.  |
| Normal retirement age | For workmen 60 years and<br>for others 58 years   | 58 years  |
| Employee turnover     | 1% p.a for workers and<br>4.3% p.a thereafter   | 1% p.a for workers and<br>7% p.a thereafter   |
| Salary Increase Rate  | For Worker: 3% for first 3 years and<br>7% thereafter, Others:<br>8.5% for first year and 8% thereafter | For Worker: 3% for first<br>3 years and 7% thereafter,<br>Others: NIL for next year<br>and 7% thereafter. |

#### (v) Sensitivity analysis for gratuity liability

| Description  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>Impact of the change in discount rate</b>       |                        |                        |
| Present value of obligation at the end of the year | 139.21                 | 123.31                 |
| - Impact due to increase of 0.50 %                 | 131.68                 | 117.25                 |
| - Impact due to decrease of 0.50 %                 | 147.33                 | 129.80                 |
| <b>Impact of the change in salary increase</b>     |                        |                        |
| Present value of obligation at the end of the year | 139.21                 | 123.31                 |
| - Impact due to increase of 0.50 %                 | 146.33                 | 129.10                 |
| - Impact due to decrease of 0.50 %                 | 132.25                 | 117.62                 |

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<br>31 March 2021 |
|----------------------------------|------------------------|
| March 31, 2022                   | 3.09                   |
| March 31, 2023                   | 3.51                   |
| March 31, 2024                   | 3.79                   |
| March 31, 2025                   | 4.06                   |
| March 31, 2026                   | 4.37                   |
| March 31, 2027 to March 31, 2031 | 52.07                  |



**Notes to financial statement for the year ended 31 March 2021**
*(All amounts in Rs. lacs, unless otherwise stated)*
**43. Disclosure under section 186(4) of the Companies act, 2013**

| Particulars   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <b>Loans (Inter corporate deposit)</b>                        |                        |                        |
| Federal-Mogul Goetze (India) Limited                          |                        |                        |
| Outstanding at the beginning of the year                      | -                      | 4,360.00               |
| Given during the year   | 2,200.00               | 1,300.00               |
| Payments received during the year                             | (2,200.00)             | (5,660.00)             |
| <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.

**44. Capital commitments**

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Property, plant and equipment (net of advances paid) | <b>244.31</b>          | 354.11                 |
|  | <b>244.31</b>          | <b>354.11</b>          |

**45.** Due to the outbreak of Coronavirus Disease 2019 (COVID - 19) which had been declared as a pandemic by the World Health Organisation and subsequent lock down ordered by the Central and State Government(s) in India, the manufacturing facilities of the Company remained suspended for some time during April and May 2020. The Company in compliance with the necessary instructions/guidelines, resumed its operations in May 2020 in a phased manner, while ensuring health and safety of all the stakeholders. This situation resulted in temporary disturbance in the economic activities through interruption in manufacturing process, disruption in supply chain, etc. for the Company during the year ended 31 March 2021. Further, the recent second wave of COVID - 19 has resulted in partial lockdown/restriction in various states. However, the Company is closely monitoring the impact of the aforementioned pandemic and believes that there will not be any adverse impact on the long-term operations and performance of the Company. Further, based on the preliminary estimates, 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 financial statements.

**46.** 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

**Anamitra Das**

Partner

Membership No.: 062191

Place: Gurugram

Date: 25<sup>th</sup> June 2021

**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 2021, 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group as at 31 March 2021, 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 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 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 37 to the consolidated 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 Rs. 5,856.45 lacs and disclosed contingent liabilities of Rs. 7,122.74 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 evaluating 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;
- 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. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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 therein, 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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management 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 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 consolidated 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 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 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 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, 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 Holding Company has adequate internal financial controls 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 management's 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 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.

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 covered under the Act 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 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 subsidiaries, 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;
- e) on the basis of the written representations received from the directors of the Holding Company and



taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company covered under the Act, none of the other directors of the Group company covered under the Act, are disqualified as on 31 March 2021 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'; 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 of the other auditors on separate financial statements as also the other financial information of the subsidiary:

- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 37(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 2021;
- 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 2021; and

- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co. LLP**  
**Chartered Accountants**

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

**Anamitra Das**

Partner

**Membership No.: 062191**

**UDIN: 21062191AAAAIY7748**

Place: Gurugram

Date: 28<sup>th</sup> June 2021

## Annexure 1:

### List of entities included in the Consolidated financial statement:

1. Federal-Mogul TPR (India) Limited- subsidiary



**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 2021**

**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 2021, 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 2021, 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 Chandiok & Co LLP  
Chartered Accountants**

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

**Anamitra Das**

Partner

Membership No.: 062191

UDIN: 21062191AAAAIY7748

Place: Gurugram

Date: 28<sup>th</sup> June 2021



**Federal-Mogul Goetze (India) Limited**  
**Consolidated Balance Sheet as at 31 March 2021**

Rs. in lacs

|  | Notes | As at<br>31 March 2021 | As at<br>01 April 2020 |
|--|-------|------------------------|------------------------|
| <b>ASSETS</b>  |       |                        |                        |
| <b>Non-current assets</b>  |       |                        |                        |
| Property, plant and equipment  | 3(a)  | 53,248.39              | 54,973.95              |
| Capital work-in-progress   | 3(a)  | 2,864.67               | 4,235.37               |
| Right-of-use assets  | 3(a)  | 1,285.03               | 484.02                 |
| Intangible assets  | 3(b)  | 143.91                 | 37.09                  |
| Financial assets   |       |                        |                        |
| - Investments  | 4     | 7.43                   | 6.94                   |
| - Loans  | 5     | 1,269.24               | 1,289.40               |
| - Other financial assets   | 6     | 564.97                 | 491.36                 |
| Deferred tax assets (net)  | 15    | 460.05                 | -                      |
| Income-tax assets (net)  | 7     | 967.63                 | 821.84                 |
| Other non-current assets   | 8     | 1,339.99               | 1,086.56               |
|  |       | <b>62,151.31</b>       | <b>63,426.53</b>       |
| <b>Current assets</b>  |       |                        |                        |
| Inventories  | 9     | 18,664.41              | 19,507.73              |
| Financial assets   |       |                        |                        |
| - Trade receivables  | 10    | 26,473.74              | 19,617.08              |
| - Cash and cash equivalents  | 11(a) | 21,301.53              | 8,906.26               |
| - Other bank balances  | 11(b) | -                      | 3,500.00               |
| - Loans  | 5     | 57.74                  | 60.69                  |
| - Other financial assets   | 6     | 1,087.30               | 1,196.67               |
| Other current assets   | 8     | 2,156.04               | 1,321.76               |
|  |       | <b>69,740.76</b>       | <b>54,110.19</b>       |
| <b>TOTAL ASSETS</b>  |       | <b>1,31,892.07</b>     | <b>1,17,536.72</b>     |
| <b>EQUITY AND LIABILITIES</b>  |       |                        |                        |
| <b>Equity</b>  |       |                        |                        |
| Equity share capital   | 12    | 5,563.21               | 5,563.21               |
| Other equity   | 13    | 76,508.65              | 76,210.26              |
| <b>Equity attributable to owners of the company</b>  |       | <b>82,071.86</b>       | <b>81,773.47</b>       |
| Non controlling interest   |       | 6,619.84               | 6,603.99               |
| <b>Total equity</b>  |       | <b>88,691.70</b>       | <b>88,377.46</b>       |
| <b>Liabilities</b>   |       |                        |                        |
| <b>Non-current liabilities</b>   |       |                        |                        |
| Financial liabilities  |       |                        |                        |
| - Lease liabilities  | 17    | 892.97                 | 7.60                   |
| Provisions   | 14    | 8,513.94               | 4,611.25               |
| Deferred tax liabilities (net)   | 15    | -                      | 934.96                 |
|  |       | <b>9,406.91</b>        | <b>5,553.81</b>        |
| <b>Current liabilities</b>   |       |                        |                        |
| Financial liabilities  |       |                        |                        |
| - Trade payables   |       |                        |                        |
| - total outstanding dues of micro enterprises and small enterprises                        | 16    | 1,513.39               | 951.36                 |
| " - total outstanding dues of creditors other than micro enterprises and small enterprises | 16    | 27,444.87              | 18,807.76              |
| - Lease liabilities  | 17    | 68.26                  | 139.58                 |
| - Other financial liabilities  | 18    | 837.50                 | 1,185.83               |
| Other current liabilities  | 19    | 2,281.53               | 877.18                 |
| Provisions   | 14    | 1,647.91               | 1,643.74               |
|  |       | <b>33,793.46</b>       | <b>23,605.45</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |       | <b>1,31,892.07</b>     | <b>1,17,536.72</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 Chandiok & Co. LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner

Membership No.: 062191

Place: Gurugram

Date: 28<sup>th</sup> June 2021

**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 2021

Rs. in lacs

|   | Notes | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|-------|-----------------------------|-----------------------------|
| <b>INCOME</b>   |       |                             |                             |
| Revenue from operations   | 20    | 1,10,716.45                 | 1,08,540.75                 |
| Other income  | 21    | 1,108.37                    | 1,313.36                    |
| <b>Total Income</b>   |       | <b>1,11,824.82</b>          | <b>1,09,854.11</b>          |
| <b>Expenses</b>   |       |                             |                             |
| Cost of materials consumed  | 22    | 33,661.72                   | 30,478.94                   |
| Purchases of stock-in-trade   | 23    | 1,410.18                    | 1,580.42                    |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress   | 24    | 1,758.05                    | 2,159.50                    |
| Employee benefits expenses  | 25    | 29,762.32                   | 29,328.06                   |
| Finance costs   | 26    | 226.58                      | 337.36                      |
| Depreciation and amortisation expense   | 27    | 8,356.46                    | 9,277.44                    |
| Other expenses  | 28    | 31,584.81                   | 32,027.77                   |
| <b>Total expenses</b>   |       | <b>1,06,760.12</b>          | <b>1,05,189.49</b>          |
| <b>Profit before exceptional item and tax</b>                                   |       | <b>5,064.70</b>             | <b>4,664.62</b>             |
| Exceptional item  | 37(b) | 4,275.00                    | -                           |
| <b>Profit before tax</b>  |       | <b>789.70</b>               | <b>4,664.62</b>             |
| <b>Tax expense</b>  |       |                             |                             |
| Current tax   | 29    | 1,776.49                    | 1,766.34                    |
| Deferred tax  | 29    | (1,480.60)                  | (973.47)                    |
| <b>Total tax expense</b>  |       | <b>295.89</b>               | <b>792.87</b>               |
| <b>Profit for the year</b>  |       | <b>493.81</b>               | <b>3,871.75</b>             |
| Other comprehensive (income)/loss   |       |                             |                             |
| (i) Items that will not be reclassified to profit or loss                       |       |                             |                             |
| A. Remeasurements of the post employment defined benefit plans (gain)/loss      |       | (329.71)                    | 1,223.62                    |
| B. Income tax relating to items that will not be reclassified to profit or loss |       | 82.99                       | (307.98)                    |
| <b>Total comprehensive (income)/loss for the year</b>                           |       | <b>(246.72)</b>             | <b>915.64</b>               |
| <b>Total comprehensive income</b>   |       | <b>740.53</b>               | <b>2,956.11</b>             |
| <b>Profit and loss for the year</b>   |       | <b>493.81</b>               | <b>3,871.75</b>             |
| Attributable to   |       |                             |                             |
| a) Owner of the Company   |       | 53.42                       | 3,249.67                    |
| b) Non controlling interest   |       | 440.39                      | 622.08                      |
| <b>Other comprehensive (income)/loss for the year</b>                           |       | <b>(246.72)</b>             | <b>915.64</b>               |
| Attributable to   |       |                             |                             |
| a) Owner of the Company   |       | (244.96)                    | 913.87                      |
| b) Non controlling interest   |       | (1.76)                      | 1.77                        |
| <b>Total comprehensive income for the year</b>                                  |       | <b>740.53</b>               | <b>2,956.11</b>             |
| Attributable to   |       |                             |                             |
| a) Owner of the parent company  |       | 298.38                      | 2,335.80                    |
| b) Non controlling interest   |       | 442.15                      | 620.31                      |
| Earnings per equity share (of ₹ 10 each)  | 30    |                             |                             |
| Basic (₹)   |       | 0.10                        | 5.84                        |
| Diluted (₹)   |       | 0.10                        | 5.84                        |

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 Chandiok & Co. LLP**  
**Chartered Accountants**

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner

Membership No.: 062191

Place: Gurugram

Date: 28<sup>th</sup> June 2021

**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 cash flow statement for the year ended 31 March 2021**  
**(Indirect method)**

Rs. in lacs

|  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| <b>A. Cash flow from operating activities</b>  |                             |                             |
| Profit before tax  | 789.70                      | 4,664.62                    |
| Adjustments for:   |                             |                             |
| Depreciation and amortisation expense  | 8,356.45                    | 9,277.44                    |
| Exceptional item   | 4,275.00                    | -                           |
| Loss on sale/discard of property, plant & equipments (net)                                 | 140.42                      | 170.52                      |
| Provision for doubtful debts and advances  | 54.81                       | (33.98)                     |
| Excess provision no longer required written back   | (321.38)                    | (458.19)                    |
| Provision for warranties   | 15.50                       | 43.18                       |
| Bad debts/advances written off   | 8.86                        | 41.81                       |
| Interest income  | (431.72)                    | (397.37)                    |
| Interest expense   | 226.58                      | 337.35                      |
| Unrealised foreign exchange loss/(gain) (net)  | 68.82                       | (178.32)                    |
| Advances written off   | 1.19                        | -                           |
| <b>Operating profit before working capital changes</b>                                     | <b>13,184.23</b>            | <b>13,467.06</b>            |
| Movements in working capital:  |                             |                             |
| (Increase)/decrease in trade/other receivables   | (6,980.81)                  | 4,356.35                    |
| Decrease in inventories  | 843.33                      | 2,254.73                    |
| Decrease in other current and non-current financial assets                                 | 111.81                      | 78.99                       |
| (Increase)/decrease in other current and non-current assets                                | (835.32)                    | 863.48                      |
| (Decrease) in other current and non-current financial liabilities                          | (28.81)                     | (30.51)                     |
| Increase/(decrease) in other current and non-current liabilities                           | 1,400.76                    | (1,031.81)                  |
| (Decrease) in current and non-current provisions   | (53.94)                     | (1,012.72)                  |
| Increase in trade payables   | 9,520.49                    | 2,311.29                    |
| <b>Cash flow from operating activities post working capital changes</b>                    | <b>17,161.74</b>            | <b>21,256.86</b>            |
| Income tax paid (net)  | (1,922.29)                  | (2,113.26)                  |
| <b>Net cash generated from operating activities</b>  | <b>15,239.45</b>            | <b>19,143.60</b>            |
| <b>B. Cash flows from investing activities</b>   |                             |                             |
| Purchase of property, plant and equipment (including capital work-in-progress)             | (5,907.32)                  | (7,498.94)                  |
| Proceeds from sale property, plant and equipment   | 27.45                       | 39.99                       |
| Movement in other bank balances (net)  | 3,426.39                    | (1,030.41)                  |
| Investment in equity shares of a Company   | (0.49)                      | -                           |
| Interest received  | 451.60                      | 374.69                      |
| Inter corporate deposit given  | (2,200.00)                  | -                           |
| Inter corporate deposit received back  | 2,200.00                    | -                           |
| <b>Net cash used in investing activities</b>   | <b>(2,002.37)</b>           | <b>(8,114.67)</b>           |
| <b>C. Cash flows from financing activities</b>   |                             |                             |
| Movement in borrowings (short term)  | -                           | (2,300.00)                  |
| Repayment of lease liabilities   | (198.71)                    | (230.98)                    |
| Interest paid  | (216.80)                    | (343.19)                    |
| Payment of dividend (inclusive of tax for previous year)                                   | (426.30)                    | (369.20)                    |
| <b>Net cash used in financing activities</b>   | <b>(841.81)</b>             | <b>(3,243.37)</b>           |
| <b>Net increase in cash and cash equivalents (A + B + C)</b>                               | <b>12,395.27</b>            | <b>7,785.56</b>             |
| Cash and cash equivalents at the beginning of the year                                     | 8,906.26                    | 1,120.70                    |
| <b>Cash and cash equivalents at the end of the year</b>                                    | <b>21,301.53</b>            | <b>8,906.26</b>             |
|  | <b>31 March 2021</b>        | <b>31 March 2020</b>        |
| <b>Cash and cash equivalents as per above comprise of the following (refer note no 11)</b> |                             |                             |
| With banks - on current account  | 7,488.09                    | 3,206.26                    |
| Fixed deposits with original maturity less than 3 months                                   | 13,813.44                   | 5,700.00                    |
|  | <b>21,301.53</b>            | <b>8,906.26</b>             |

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 Chandiok & Co. LLP**  
**Chartered Accountants**  
Firm's Registration No.: 001076N/N500013  
**Anamitra Das**  
Partner  
Membership No.: 062191  
Place: Gurugram  
Date: 28<sup>th</sup> June 2021

**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 2021**

Rs. in lacs

| Particulars                    | Balance as at 01 April 2019 | Change in equity share capital during the year | Balance as at 31 March 2020 | Change in equity share capital during the year | Balance as at 31 March 2021 |
|--------------------------------|-----------------------------|--|-----------------------------|--|-----------------------------|
| <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>             |

| <b>B) Other equity</b>  |                 | <b>Reserves and surplus</b> |                            |                            |                   |                    |                          |                  |
|---|-----------------|-----------------------------|----------------------------|----------------------------|-------------------|--------------------|--------------------------|------------------|
| Particulars   | General reserve | Capital reserve             | Capital redemption reserve | Securities premium account | Retained earnings | Total other equity | Non controlling interest | Total            |
| <b>Balance as at 31 March 2019</b>  | <b>1,295.00</b> | <b>56.55</b>                | <b>2,000.00</b>            | <b>26,750.74</b>           | <b>43,772.17</b>  | <b>73,874.46</b>   | <b>6,352.88</b>          | <b>80,227.34</b> |
| <b>Additions during the year:</b>   |                 |                             |                            |                            |                   |                    |                          |                  |
| Profit for the year   | -               | -                           | -                          | -                          | 3,249.67          | 3,249.67           | 622.08                   | 3,871.75         |
| Other Comprehensive Income for the year ended                                 |                 |                             |                            |                            |                   |                    |                          |                  |
| Remeasurements of the post employment defined benefit plans gain (net of tax) | -               | -                           | -                          | -                          | (913.87)          | (913.87)           | (1.77)                   | (915.64)         |
| Less: Dividend paid including dividend distribution tax (DDT)                 | -               | -                           | -                          | -                          | -                 | -                  | -369.20                  | -369.20          |
| <b>Balance as at 31 March 2020</b>  | <b>1,295.00</b> | <b>56.55</b>                | <b>2,000.00</b>            | <b>26,750.74</b>           | <b>46,107.97</b>  | <b>76,210.26</b>   | <b>6,603.99</b>          | <b>82,814.25</b> |
| <b>Additions during the year:</b>   |                 |                             |                            |                            |                   |                    |                          |                  |
| Profit for the year   | -               | -                           | -                          | -                          | 53.43             | 53.43              | 440.39                   | 493.82           |
| 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   | -               | -                           | -                          | -                          | -                 | -                  | -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>46,406.36</b>  | <b>76,508.65</b>   | <b>6,619.84</b>          | <b>83,128.49</b> |

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

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

**Anamitra Das**  
 Partner  
 Membership No.: 062191

Place: Gurugram  
 Date: 28<sup>th</sup> June 2021

**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 notes to consolidated accounts for the year ended 31 March 2021

### 1. Group information and significant accounting policies

#### A. Corporate 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 Company is listed at National Stock Exchange of India Limited and Bombay Stock Exchange.

#### B. Statement of significant accounting policies

##### 1.1 (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 consolidated financial statements are authorised, have been considered in preparing these consolidated financial statements.

##### (b) Recent accounting pronouncements

###### Amendments to Schedule III of the Companies Act, 2013

On 24 March 2021, the Ministry of Corporate Affairs ('MCA') through a notification, amended Schedule III of the Act. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The revised Division II which relate to companies whose Consolidated financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, prescribes amendments for various additional disclosures. The Company is evaluating the requirements of these amendments and their impact on the financial statements.

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards. However, there are no such notifications which have been issued but are not yet effective or applicable from 1 April 2021.

##### 1.2 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 2021 were approved and authorised for issue by Board of Directors on 28 June 2021.

##### 1.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2021. 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



## Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2021

- 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, 2021.

### 1.4 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 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.

#### d) 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:



## Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2021

| 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                         |

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.

### **e) 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.

### **f) 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.

### **g) 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



## Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2021

- 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. Financial assets carried at fair value

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

#### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

### **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.

### **h) Impairment of financial assets**

In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted average difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group 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 Group 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 group applies the simplified approach as per 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.



## Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2021

### *Other financial assets*

In respect of its other financial assets, the group 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 Group 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 group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the group 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 group 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

### **i) 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.

### **i) 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.



## Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2021

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.

### k) 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.

### l) Revenue Recognition

Revenue is recognised at fair value of consideration received or receivable net of related rebates, to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

#### 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.



## Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2021

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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.

### *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.

## **m) 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.

## **n) 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.



## Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2021

### o) 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.
- (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.

### p) 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).

### q) 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.

### r) 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



## Summary of significant accounting policies and other explanatory notes to consolidated accounts for the year ended 31 March 2021

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.

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.

### s) 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.

### t) 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.

### u) 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 notes to consolidated accounts for the year ended 31 March 2021

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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 2021

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

### 3. 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 2019           | 1,485.16        | 11,940.87        | 1,846.43                                    | 1,29,191.37         | 420.29        | 1,44,884.12        | 362.87                    | 2,828.68                 |
| Additions   | -               | 297.50           | 83.33                                       | 6,444.20            | 35.71         | 6,860.74           | 357.29                    | 7,648.79                 |
| Disposals / adjustments                                     | -               | (27.67)          | (25.80)                                     | (1,840.70)          | (13.25)       | (1,907.42)         | -                         | (6,242.10)               |
| <b>Closing gross carrying amount as on 31 March 2020</b>    | <b>1,485.16</b> | <b>12,210.70</b> | <b>1,903.96</b>                             | <b>1,33,794.87</b>  | <b>442.75</b> | <b>1,49,837.44</b> | <b>720.16</b>             | <b>4,235.37</b>          |
| <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   | -               | 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>Accumulated Depreciation</b>                             |                 |                  |   |                     |               |                    |                           |                          |
| Opening accumulated depreciation as on 01 April 2019        | -               | 5,474.72         | 1,281.80                                    | 80,367.85           | 302.29        | 87,426.66          | 12.84                     |                          |
| Depreciation charge during the year                         | -               | 380.07           | 95.45                                       | 8,547.01            | 31.01         | 9,053.54           | 223.30                    |                          |
| Disposals / adjustments                                     | -               | (19.74)          | (24.70)                                     | (1,559.06)          | (13.21)       | (1,616.71)         | -                         |                          |
| <b>Closing accumulated depreciation as on 31 March 2020</b> | <b>-</b>        | <b>5,835.05</b>  | <b>1,352.55</b>                             | <b>87,355.80</b>    | <b>320.09</b> | <b>94,863.49</b>   | <b>236.14</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>Net Carrying amount as on 31 March 2020</b>              | <b>1,485.16</b> | <b>6,375.65</b>  | <b>551.41</b>                               | <b>46,439.07</b>    | <b>122.66</b> | <b>54,973.95</b>   | <b>484.02</b>             | <b>4,235.37</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>          |

#### 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 & equipments which are pledged or under lien.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 3A. Intangible assets

|   | software      | Total<br>intangible<br>assets |
|---|---------------|-------------------------------|
| <b>Gross carrying amount</b>                                |               |                               |
| Opening gross carrying amount as on 01 April 2019           | 109.16        | 109.16                        |
| Additions   | -             | -                             |
| Disposals/adjustments                                       | -             | -                             |
| <b>Closing gross carrying amount as on 31 March 2020</b>    | <b>109.16</b> | <b>109.16</b>                 |
| <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>Accumulated amortisation</b>                             |               |                               |
| Opening accumulated amortisation as on 01 April 2019        | 71.47         | 71.47                         |
| Amortisation charge during the year                         | 00.60         | 00.60                         |
| Disposals/adjustments                                       | -             | -                             |
| <b>Closing accumulated amortisation as on 31 March 2020</b> | <b>72.07</b>  | <b>72.07</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>Net carrying amount as on 31 March 2020</b>              | <b>37.09</b>  | <b>37.09</b>                  |
| <b>Net carrying amount as on 31 March 2021</b>              | <b>143.91</b> | <b>143.91</b>                 |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 4. Investments

|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <b>(i) 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 | 7.43                   | 6.94                   |
| <b>(ii) 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>7.43</b>            | <b>6.94</b>            |

#The fair value of unquoted equity shares is Nil (previous year: Nil)

### 5. Loans

|                   | As at<br>31 March 2021<br>Non<br>current | As at<br>31 March 2021<br>Current | As at<br>31 March 2020<br>Non<br>current | As at<br>31 March 2020<br>Current |
|-------------------|--|-----------------------------------|--|-----------------------------------|
| Security deposits | 1,269.24                                 | 57.74                             | 1,289.40                                 | 60.69                             |
|                   | <b>1,269.24</b>                          | <b>57.74</b>                      | <b>1,289.40</b>                          | <b>60.69</b>                      |

Note : The Group does not have loans which are either credit impaired or where there is significant increase in credit risk.

### 6. Other financial assets

|   | As at<br>31 March 2021<br>Non<br>current | As at<br>31 March 2021<br>Current | As at<br>31 March 2020<br>Non<br>current | As at<br>31 March 2020<br>Current |
|---|--|-----------------------------------|--|-----------------------------------|
| <b>Unsecured, considered good</b>                           |  |                                   |  |                                   |
| Margin money deposits - pledged with government authorities | 524.97                                   | -                                 | 491.36                                   | -                                 |
| Export incentive receivable                                 | -  | 506.81                            | -  | 468.30                            |
| Earnest money deposits                                      | -  | 10.01                             | -  | 17.73                             |
| Other receivables   | -  | 570.48                            | -  | 674.58                            |
| Fixed deposits with original maturity more than 12 months   | 40.00                                    | -                                 | -  | -                                 |
| Interest accrued on deposits                                | -  | -                                 | -  | 36.06                             |
|   | <b>564.97</b>                            | <b>1,087.30</b>                   | <b>491.36</b>                            | <b>1,196.67</b>                   |

Note: Refer note no 31 for fair value disclosures in respect of financial assets measured at amortised cost and refer note no 32 for financial risk management.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 7. Income-tax assets

|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <b>Income-tax assets</b>                      |                        |                        |
| Advance taxes paid (net of provision for tax) | <b>967.63</b>          | 821.84                 |
|   | <b>967.63</b>          | <b>821.84</b>          |

### 8. Other assets

|   | As at<br>31 March 2021 |                 | As at<br>31 March 2020 |                 |
|---|------------------------|-----------------|------------------------|-----------------|
|   | Non<br>current         | Current         | Non<br>current         | Current         |
| Capital advances (Unsecured, considered good) | <b>384.08</b>          | -               | 122.02                 | -               |
| Advances other than capital advances:         |                        |                 |                        |                 |
| Unsecured, considered good                    | -                      | <b>802.24</b>   | -                      | 744.00          |
| Unsecured, credit impaired                    | -                      | <b>2.12</b>     | -                      | 3.96            |
| Less: Provision for doubtful advances         | -                      | <b>(2.12)</b>   | -                      | (3.96)          |
|   | -                      | <b>802.24</b>   | -                      | <b>744.00</b>   |
| Prepaid expenses                              | <b>13.01</b>           | <b>863.27</b>   | 25.49                  | 577.76          |
| Paid to government authorities under protest  | <b>942.90</b>          | -               | 939.05                 | -               |
| Other receivables                             | -                      | <b>490.53</b>   | -                      | -               |
|   | <b>1,339.99</b>        | <b>2,156.04</b> | <b>1,086.56</b>        | <b>1,321.76</b> |

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

|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Raw materials and components<br>(includes stock in transit of ₹ 700.34 lacs<br>(previous year ₹ 510.63 lacs) | <b>3,164.59</b>        | 2,562.89               |
| Work-in-progress   | <b>4,845.73</b>        | 5,757.18               |
| Finished goods   | <b>7,931.10</b>        | 8,782.08               |
| Traded goods   | <b>22.49</b>           | 18.11                  |
| Stores and spares (includes stock in transit of ₹ 59.06 lacs<br>(previous year ₹ 32.05 lacs)                 | <b>2,700.50</b>        | 2,387.47               |
|  | <b>18,664.41</b>       | <b>19,507.73</b>       |

Note : The cost of inventories recognised as an expense includes ₹ 328.66 lacs (previous year ₹ 247.00 lacs) in respect of write-downs of inventory to net realisable value. The same has been included in note no. 22, 23 and 24.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 10. Trade receivables

|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Secured, considered good                       | 393.67                 | 422.48                 |
| Unsecured, considered good                     | 26,154.26              | 19,270.77              |
| Unsecured, significant increase in credit risk | 214.62                 | 184.59                 |
|  | <b>26,762.55</b>       | <b>19,877.84</b>       |
| Less: allowance for expected credit loss       | <b>(288.81)</b>        | <b>(260.76)</b>        |
|  | <b>26,473.74</b>       | <b>19,617.08</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 provision for doubtful debts.

(3) Refer note 38 for balances due from related party.

### 11. Cash and cash equivalents

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>a) Cash and cash equivalents</b>                        |                        |                        |
| Balances with scheduled banks:                             |                        |                        |
| - Current accounts   | 7,488.09               | 3,206.26               |
| - Fixed deposits with original maturity less than 3 months | 13,813.44              | 5,700.00               |
|  | <b>21,301.53</b>       | <b>8,906.26</b>        |
| <b>b) Other bank balances</b>                              |                        |                        |
| Fixed deposits with original maturity more than 3 months   |                        |                        |
| but less than 12 months                                    | -                      | 3,500.00               |
|  | <b>-</b>               | <b>3,500.00</b>        |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 12. Equity share capital

|  | 31 March 2021   | 31 March 2020   |
|--|-----------------|-----------------|
| <b>Authorised shares</b>   |                 |                 |
| 80,000,000 (previous year: 80,000,000) equity shares of ₹ 10 each. | <b>8,000.00</b> | 8,000.00        |
|  | <b>8,000.00</b> | <b>8,000.00</b> |
| <b>Issued, subscribed and fully paid-up shares</b>                 |                 |                 |
| 55,632,130 (previous year: 55,632,130) equity shares of ₹ 10 each. | <b>5,563.21</b> | 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*  | No.                | 31 March 2021<br>% holding | No.         | 31 March 2020<br>% holding |
|---|--------------------|----------------------------|-------------|----------------------------|
| Equity shares of ₹ 10- fully paid                                       |                    |                            |             |                            |
| Federal Mogul Holding Limited, Mauritius,<br>the Holding company        | <b>3,34,08,581</b> | <b>60.05%</b>              | 3,34,08,581 | 60.05%                     |
| Federal Mogul Vermögensverwaltungs GMBH,<br>a fellow subsidiary company | <b>83,06,873</b>   | <b>14.93%</b>              | 83,06,873   | 14.93%                     |

#### (d) 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*   | No.                | 31 March 2021<br>% holding | No.         | 31 March 2020<br>% holding |
|--|--------------------|----------------------------|-------------|----------------------------|
| Equity shares of ₹ 10- fully paid  |                    |                            |             |                            |
| a) Federal Mogul Holding Limited, Mauritius,<br>the Holding company        | <b>3,34,08,581</b> | <b>60.05%</b>              | 3,34,08,581 | 60.05%                     |
| b) Federal Mogul Vermögensverwaltungs GMBH,<br>a Fellow subsidiary company | <b>83,06,873</b>   | <b>14.93%</b>              | 83,06,873   | 14.93%                     |
| c) IEH FMGI Holdings LLC   | <b>1,10,84,844</b> | <b>19.93%</b>              | 1,21,45,391 | 21.83%                     |

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



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

- (e) Post closure of the Tendering period/Open offer, one of the members of the promoter group of the parent Company i.e IEH FMGI Holdings LLC held 12,145,391 equity shares of the parent Company (i.e 21.83%). Vide three separate Notices for 'Offer for Sale', IEH FMGI Holdings LLC tendered said equity shares for sale and as on 31 March 2021, the promoter alongwith the promoter group held 5,28,00,298 equity shares (i.e 94.91%). Vide Notice for 'Offer for Sale' dated 23 April 2021, IEH FMGI Holdings LLC divested 1,10,76,201 equity shares of the parent Company constituting 19.91% of the issued and paid-up equity share capital of the parent Company and consequently, the public shareholding in the parent 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.
- (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.

### 13. Other equity

| Particulars   | General reserve | Capital reserve | Capital redemption reserve | Securities premium account | Retained earnings | Total            |
|---|-----------------|-----------------|----------------------------|----------------------------|-------------------|------------------|
| <b>Balance as at 01 April 2019</b>  | <b>1,295.00</b> | <b>56.55</b>    | <b>2,000.00</b>            | <b>26,750.74</b>           | <b>43,772.17</b>  | <b>73,874.46</b> |
| Profit for the year   | -               | -               | -                          | -                          | 3,249.67          | 3,249.67         |
| Items of other comprehensive income recognised directly in retained earnings:   |                 |                 |                            |                            |                   |                  |
| Remeasurements of the post employment defined benefit plans (loss) (net of tax) | -               | -               | -                          | -                          | (913.87)          | (913.87)         |
| <b>Balance as at 31 March 2020</b>  | <b>1,295.00</b> | <b>56.55</b>    | <b>2,000.00</b>            | <b>26,750.74</b>           | <b>46,107.97</b>  | <b>76,210.26</b> |
| Profit for the year   | -               | -               | -                          | -                          | 53.43             | 53.43            |
| Items of other comprehensive income recognised directly in retained earnings:   |                 |                 |                            |                            |                   |                  |
| Remeasurements of the post employment defined benefit plans gain (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>46,406.36</b>  | <b>76,508.65</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 2021

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

### 14. Provisions

|  | As at<br>31 March 2021 |                 | As at<br>31 March 2020 |                 |
|--|------------------------|-----------------|------------------------|-----------------|
|  | Non current            | Current         | Non current            | Current         |
| <b>Provision for employee benefits</b>                         |                        |                 |                        |                 |
| Provision for gratuity (refer note no 40)                      | 2,668.29               | 3.09            | 3,435.89               | 3.46            |
| Provision for compensated absences                             | 1,404.83               | 222.52          | 1,017.87               | 237.85          |
|  | <b>4,073.12</b>        | <b>225.61</b>   | <b>4,453.76</b>        | <b>241.31</b>   |
| <b>Provision for regulatory matters (refer note (a) below)</b> | 4,440.82               | 1,415.63        | 157.49                 | 1,402.43        |
| Provision for warranties (refer note (a) below)                | -                      | 6.67            | -                      | -               |
|  | <b>4,440.82</b>        | <b>1,422.30</b> | <b>157.49</b>          | <b>1,402.43</b> |
|  | <b>8,513.94</b>        | <b>1,647.91</b> | <b>4,611.25</b>        | <b>1,643.74</b> |

| Note (a)<br>Provisions movement<br>(also refer Note no. 43) | 31 March 2021                     |                               |                     | 31 March 2020                     |                               |                     |
|---|-----------------------------------|-------------------------------|---------------------|-----------------------------------|-------------------------------|---------------------|
|   | Regulatory matters<br>Non current | Regulatory matters<br>Current | Warranty<br>Current | Regulatory matters<br>Non current | Regulatory matters<br>Current | Warranty<br>Current |
| Opening balance   | 157.49                            | 1,402.43                      | -                   | 261.35                            | 1,940.58                      | -                   |
| Provision made during the year                              | 4,313.67                          | 95.68                         | 6.67                | 22.41                             | 132.01                        | -                   |
| Utilised during the year                                    | -                                 | (82.48)                       | -                   | (93.13)                           | (670.16)                      | -                   |
| Finance expense on unwinding of provision                   | (30.34)                           | -                             | -                   | (33.14)                           | -                             | -                   |
| Closing balance   | 4,440.82                          | 1,415.63                      | 6.67                | 157.49                            | 1,402.43                      | -                   |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

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

|   | Opening<br>balance<br>as on 1 April<br>2019 | Recognised<br>in statement<br>of profit<br>& loss | Reco-<br>gnised<br>in OCI | Closing<br>balance as<br>on 31 March<br>2020 |
|---|---|---|---------------------------|--|
| <b>Deferred tax assets</b>                |   |   |                           |  |
| Provision for employees benefits          | 1,335.51                                    | (448.20)  | 307.98                    | 1,195.29                                     |
| Provision for doubtful debts and advances | 111.72                                      | (45.10)   | -                         | 66.62  |
| Provision for regulatory matters          | 552.57                                      | (257.04)  | -                         | 295.53                                       |
| Others                                    | 262.92                                      | (50.67)   | -                         | 212.25                                       |
|   | <b>2,262.72</b>                             | <b>(801.01)</b>                                   | <b>307.98</b>             | <b>1,769.69</b>                              |

#### Deferred tax liabilities

Property, plant and equipment and intangible assets  
on account of difference in written down value

|                                     |                 |                   |                 |                 |
|-------------------------------------|-----------------|-------------------|-----------------|-----------------|
|                                     | <b>4,479.12</b> | <b>(1,774.48)</b> | <b>-</b>        | <b>2,704.64</b> |
|                                     | <b>4,479.12</b> | <b>(1,774.48)</b> | <b>-</b>        | <b>2,704.64</b> |
| <b>Net deferred tax liabilities</b> | <b>2,216.40</b> | <b>(973.47)</b>   | <b>(307.98)</b> | <b>934.96</b>   |

|   | Opening<br>balance<br>as on 1 April<br>2020 | Recognised<br>in statement<br>of profit<br>& loss | Reco-<br>gnised<br>in OCI | Closing<br>balance as<br>on 31 March<br>2021 |
|---|---|---|---------------------------|--|
| <b>Deferred tax assets</b>                |   |   |                           |  |
| Provision for employees benefits          | 1,195.29                                    | (26.60)   | (82.99)                   | 1,085.70                                     |
| Provision for doubtful debts and 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>                              |

#### Deferred tax liabilities

Property, plant and equipment and intangible assets  
on account of difference in written down value

|  |                 |                   |              |                 |
|--|-----------------|-------------------|--------------|-----------------|
|  | <b>2,704.64</b> | <b>(122.31)</b>   | <b>-</b>     | <b>2,582.33</b> |
|  | <b>2,704.64</b> | <b>(122.31)</b>   | <b>-</b>     | <b>2,582.33</b> |
| <b>Net deferred tax liabilities/(assets)</b> | <b>934.96</b>   | <b>(1,480.60)</b> | <b>82.99</b> | <b>(460.05)</b> |

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



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 16. Trade payables

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Dues of micro enterprises and small enterprises<br>(refer note no 42 for details of dues to micro and small enterprises) | 1,513.39               | 951.36                 |
| Dues of creditors other than micro enterprises and small enterprises<br>(including acceptances)                          | 27,444.87              | 18,807.76              |
|  | <b>28,958.26</b>       | <b>19,759.12</b>       |

Refer note no 38 for related party balances.

### 17. Lease liabilities

| Particulars                          | As at<br>31 March 2021 |         | As at<br>31 March 2020 |         |
|--------------------------------------|------------------------|---------|------------------------|---------|
|                                      | Non current            | Current | Non current            | Current |
| Lesae liabilities (refer note no 39) | 892.97                 | 68.26   | 7.60                   | 139.58  |
|                                      | 892.97                 | 68.26   | 7.60                   | 139.58  |

### 18. Other financial liabilities

| Particulars                           | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---------------------------------------|------------------------|------------------------|
| Payables to capital creditors         | 390.25                 | 682.85                 |
| Deposits from dealers                 | 393.67                 | 422.48                 |
| Interest accrued on borrowings        | 17.51                  | 24.51                  |
| Interest accrued on security deposits | 36.07                  | 55.99                  |
|                                       | <b>837.50</b>          | <b>1,185.83</b>        |

### 19. Other current liabilities

| Particulars               | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---------------------------|------------------------|------------------------|
| Advance from customers    | 239.00                 | 165.39                 |
| Statutory liabilities     | 2,036.74               | 709.76                 |
| Other current liabilities | 5.79                   | 2.03                   |
|                           | <b>2,281.53</b>        | <b>877.18</b>          |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 20. Revenue from operations

|                                | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--------------------------------|-----------------------------|-----------------------------|
| <b>Revenue from operations</b> |                             |                             |
| Sale of goods                  | 1,09,136.81                 | 1,06,777.28                 |
| <b>Other operating revenue</b> |                             |                             |
| Export incentives              | 354.94                      | 355.36                      |
| Scrap sales                    | 1,224.70                    | 1,408.11                    |
| <b>Revenue from operations</b> | <b>1,10,716.45</b>          | <b>1,08,540.75</b>          |

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

### 21. Other income

|  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Interest income on                               |                             |                             |
| - Fixed deposits with banks                      | 362.89                      | 328.19                      |
| - Others   | 68.83                       | 69.18                       |
| Foreign exchange fluctuation (net)               | -                           | 113.54                      |
| Excess provision no longer required written back | 321.38                      | 492.17                      |
| Miscellaneous income                             | 224.07                      | 310.28                      |
|  | <b>1,108.37</b>             | <b>1,313.36</b>             |

### 22. Cost of material consumed

|                          | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--------------------------|-----------------------------|-----------------------------|
| Opening stock            | 2,562.89                    | 2,330.89                    |
| Add: purchases           | 34,263.42                   | 30,710.94                   |
| Less: closing stock      | (3,164.59)                  | (2,562.89)                  |
| Raw material consumption | <b>33,661.72</b>            | <b>30,478.94</b>            |

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

|                             | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|-----------------------------|-----------------------------|-----------------------------|
| Purchases of stock-in-trade | 1,410.18                    | 1,580.42                    |
|                             | <b>1,410.18</b>             | <b>1,580.42</b>             |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

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

|                            | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|----------------------------|-----------------------------|-----------------------------|
| <b>Opening stock</b>       |                             |                             |
| Work-in-progress           | 5,757.18                    | 6,203.03                    |
| Finished products          | 8,782.08                    | 10,357.48                   |
| Trading goods              | 18.11                       | 13.57                       |
| Reusable scrap             | -                           | 142.79                      |
|                            | <b>14,557.37</b>            | <b>16,716.87</b>            |
| <b>Less: Closing 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>1,758.05</b>             | <b>2,159.50</b>             |

### 25. Employee benefit expenses

|   | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|-----------------------------|-----------------------------|
| Salaries, wages and bonus                 | 25,098.22                   | 24,813.66                   |
| Contribution to provident and other funds | 1,472.77                    | 1,527.25                    |
| Gratuity expense (refer note no. 40)      | 737.87                      | 676.13                      |
| Staff welfare expenses                    | 2,453.46                    | 2,311.02                    |
|   | <b>29,762.32</b>            | <b>29,328.06</b>            |

### 26. Finance cost

|             | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|-------------|-----------------------------|-----------------------------|
| Interest    |                             |                             |
| - to banks  | 41.91                       | 83.30                       |
| - to others | 184.67                      | 254.06                      |
|             | <b>226.58</b>               | <b>337.36</b>               |

### 27. Depreciation and amortisation expense (refer Note no. 3 and 3a)

|  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipments | 8,081.55                    | 9,053.54                    |
| Depreciation of right-of-use assets            | 177.65                      | 223.30                      |
| Amortisation of intangible assets              | 97.26                       | 0.60                        |
|  | <b>8,356.46</b>             | <b>9,277.44</b>             |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 28. Other expenses

|  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Consumption of stores and spares                           | 10,903.75                   | 10,872.15                   |
| Sub-contracting expenses                                   | 1,727.04                    | 1,554.63                    |
| Power and fuel   | 7,074.68                    | 7,306.42                    |
| Freight and forwarding charges                             | 1,381.97                    | 1,185.87                    |
| Rent (refer note no.39)                                    | 96.37                       | 112.28                      |
| Rates and taxes  | 255.90                      | 264.66                      |
| Insurance  | 242.13                      | 179.88                      |
| Repairs and maintenance                                    |                             |                             |
| Plant and machinery  | 833.30                      | 492.84                      |
| Buildings  | 190.18                      | 158.00                      |
| Others   | 526.76                      | 637.24                      |
| Selling and distribution expense                           | 337.10                      | 384.61                      |
| Management support charges (refer note no.44)              | 2,683.35                    | 2,654.11                    |
| Royalty and trade-mark license fees                        | 2,179.22                    | 2,131.73                    |
| Provision for warranties (net of reversals)                | 15.50                       | 43.95                       |
| Travelling and conveyance                                  | 126.40                      | 519.57                      |
| Communication costs  | 55.24                       | 90.78                       |
| Corporate social responsibility expense (refer note no.46) | 241.09                      | 297.33                      |
| Printing and stationery                                    | 71.58                       | 75.24                       |
| Legal and professional fees                                | 589.14                      | 1,010.43                    |
| Auditors remuneration (refer details below)*               | 61.75                       | 71.25                       |
| Foreign exchange fluctuation (net)                         | 222.18                      | 36.04                       |
| Bad debts/advances written off                             | 10.14                       | 41.81                       |
| Provision for doubtful debts and advances                  | 54.81                       | -                           |
| Loss on sale of property, plant and equipments (net)       | 140.42                      | 170.52                      |
| Environmental maintenance and remediation                  | 239.20                      | 190.15                      |
| Bank charges   | 87.55                       | 72.54                       |
| Miscellaneous expenses                                     | 1,238.06                    | 1,473.74                    |
|  | <b>31,584.81</b>            | <b>32,027.77</b>            |

### \*Auditors remuneration

|                       | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|-----------------------|-----------------------------|-----------------------------|
| - Statutory audit fee | 31.25                       | 31.25                       |
| - Limited reviews     | 28.00                       | 27.00                       |
| - Tax audit fee       | 2.50                        | 3.50                        |
| - Others              | -                           | 9.50                        |
|                       | <b>61.75</b>                | <b>71.25</b>                |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 29. Tax expense

|                              | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|------------------------------|-----------------------------|-----------------------------|
| Current tax                  | 2,101.24                    | 1,657.20                    |
| Tax related to earlier years | (324.76)                    | 109.14                      |
| Deferred tax                 | (1,480.60)                  | (973.47)                    |
|                              | <b>295.88</b>               | <b>792.87</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>789.70</b> | 4,664.62 |
| At country's statutory income tax rate of 25.168% (previous year: 25.168%) | <b>198.75</b> | 1,173.99 |

#### Tax effect on permanent non deductible expenses :

|   |                |               |
|---|----------------|---------------|
| Effect of change in tax rate                              | -              | (580.10)      |
| Expenses allowance for which was done in earlier years    | <b>(41.97)</b> | (101.84)      |
| Expenses disallowed under Income tax act, 1961            | <b>56.41</b>   | 80.51         |
| Disallowed expense under Rule 14A of Income tax act       | <b>1.30</b>    | 13.00         |
| Tax related to earlier years                              | <b>(17.99)</b> | 109.14        |
| Difference in tax rates                                   | -              | -             |
| Tax impact of inter profit elimination entries (dividend) | <b>121.19</b>  | 65.52         |
| Others  | <b>(21.81)</b> | 32.65         |
|   | <b>295.88</b>  | <b>792.87</b> |

#### Tax rate

|                |                |                |
|----------------|----------------|----------------|
| Base rate      | <b>22.000%</b> | 22.000%        |
| Surcharge      | <b>2.200%</b>  | 2.200%         |
| Education cess | <b>0.968%</b>  | 0.968%         |
| <b>Total</b>   | <b>25.168%</b> | <b>25.168%</b> |

### 30. Earnings per share

| Particulars   | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|-----------------------------|-----------------------------|
| Profit for the year as per Statement of Profit and Loss                       | <b>53.42</b>                | 3,249.67                    |
| Weighted average number of equity shares in calculating basic and diluted EPS | <b>5,56,32,130</b>          | 5,56,32,130                 |
| Nominal value of shares (₹)   | <b>10.00</b>                | 10.00                       |
| Earning per share - basic and diluted (₹)                                     | <b>0.10</b>                 | 5.84                        |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 31. 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.

#### (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.
- The fair values of the unquoted investments in Shares of Vyshali Energy Private Limited is shown at cost as in accordance with agreement with parties.
- Loans are shown at cost as the same are given to government authorities till perpetuity.

### 32. Financial risk management

#### i) Financial instruments by category

| Particulars  | As at 31 March 2021 |       |                | As at 31 March 2020 |       |                |
|--|---------------------|-------|----------------|---------------------|-------|----------------|
|  | FVTPL               | FVOCI | Amortised cost | FVTPL               | FVOCI | Amortised cost |
| <b>Financial assets</b>  |                     |       |                |                     |       |                |
| Investments  | -                   | -     | 7.43           | -                   | -     | 6.94           |
| Trade receivables  | -                   | -     | 26,473.74      | -                   | -     | 19,617.08      |
| Cash and cash equivalents  | -                   | -     | 21,301.53      | -                   | -     | 8,906.26       |
| Other bank balances  | -                   | -     | -              | -                   | -     | 3,500.00       |
| Loans  | -                   | -     | 1,326.98       | -                   | -     | 1,350.09       |
| Other financial assets   | -                   | -     | 1,652.27       | -                   | -     | 1,688.03       |
| <b>Total</b>   | -                   | -     | 50,761.95      | -                   | -     | 35,068.40      |
| <b>Financial liabilities</b>   |                     |       |                |                     |       |                |
| Borrowings (including interest accrued on borrowings)                  | -                   | -     | 17.51          | -                   | -     | 24.51          |
| Trade payable  | -                   | -     | 28,958.26      | -                   | -     | 19,759.12      |
| Lease liabilities  | -                   | -     | 961.23         | -                   | -     | 147.18         |
| Other financial liabilities (excluding interest accrued on borrowings) | -                   | -     | 819.99         | -                   | -     | 1,161.32       |
| <b>Total</b>   | -                   | -     | 30,756.99      | -                   | -     | 21,092.13      |

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 2021

(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 2021 | 31 March 2020 |
| A: Low        | Cash and cash equivalents                         | 21,301.53     | 8,906.26      |
|               | Other financial assets                            | 1,652.27      | 1,688.03      |
|               | Loan  | 1,326.98      | 1,350.09      |
|               | Trade receivables (gross of expected credit loss) | 26,547.93     | 19,693.25     |
| B: High       | Trade receivables                                 | 214.62        | 184.59        |

### 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 2021

(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<br>31 March 2021 |                 | As at<br>31 March 2020 |                 |
|--|------------------------|-----------------|------------------------|-----------------|
|  | >365<br>Days           | 0 - 365<br>Days | >365<br>Days           | 0 - 365<br>Days |
| Gross amount of trade receivables where no default (as defined above) has occurred | 214.62                 | 26,547.93       | 184.59                 | 19,693.25       |
| Expected loss rate (in %)  | 100%                   | 0.28%           | 100%                   | 0.39%           |
| Expected credit loss( loss allowance provision)                                    | 214.62                 | 74.19           | 184.59                 | 76.17           |

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

| Reconciliation of loss allowance                    | Trade receivable |
|---|------------------|
| <b>Loss allowance as on 1 April 2019</b>            | <b>302.00</b>    |
| Impairment loss recognised/reversed during the year | (41.24)          |
| <b>Loss allowance as on 1 April 2020</b>            | <b>260.76</b>    |
| Impairment loss recognised/reversed during the year | 51.18            |
| Amounts written off                                 | (23.13)          |
| <b>Loss allowance on 31 March 2021</b>              | <b>288.81</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 companyings 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 2021

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

| 31 March 2021               | Less than<br>1 year | 1-3 year      | 3-5 year      | More than<br>5 years | Total            |
|-----------------------------|---------------------|---------------|---------------|----------------------|------------------|
| Trade payable               | 28,958.26           | -             | -             | -                    | 28,958.26        |
| Lease Liabilities           | 68.26               | 131.84        | 209.38        | 551.75               | 961.23           |
| Other financial liabilities | 837.49              | -             | -             | -                    | 837.49           |
| <b>Total</b>                | <b>29,864.01</b>    | <b>131.84</b> | <b>209.38</b> | <b>551.75</b>        | <b>30,756.98</b> |

| 31 March 2020               | Less than<br>1 year | 1-2 year    | 2-3 year | More than<br>3 years | Total            |
|-----------------------------|---------------------|-------------|----------|----------------------|------------------|
| Trade payable               | 19,759.12           | -           | -        | -                    | 19,759.12        |
| Lease Liabilities           | 139.58              | 7.60        | -        | -                    | 147.18           |
| Other financial liabilities | 1,185.83            | -           | -        | -                    | 1,185.83         |
| <b>Total</b>                | <b>21,084.53</b>    | <b>7.60</b> | <b>-</b> | <b>-</b>             | <b>21,092.13</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 Rs, are as follows

| Particulars   | Foreign<br>Currency | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|---------------------|------------------------|------------------------|
| <b>Financial liabilities- Creditors</b>               | USD                 | <b>1,217.44</b>        | 872.60                 |
|   | EUR                 | <b>1,935.90</b>        | 1,172.78               |
|   | GBP                 | <b>166.87</b>          | 542.64                 |
|   | JPY                 | <b>298.40</b>          | 510.00                 |
|   | SEK                 | <b>21.24</b>           | 8.38                   |
|   | SGD                 | <b>-</b>               | 0.35                   |
|   | CNY                 | <b>59.40</b>           | 150.79                 |
|   |                     | <b>3,699.25</b>        | <b>3,257.54</b>        |
| Financial assets                                      |                     |                        |                        |
| Debtors   | USD                 | <b>5,783.21</b>        | 3,122.00               |
|   | EUR                 | <b>527.95</b>          | 156.86                 |
|   | GBP                 | <b>84.92</b>           | -                      |
|   |                     | <b>6,396.08</b>        | <b>3,278.86</b>        |
| <b>Net exposure to foreign currency risk (assets)</b> |                     | <b>2,696.84</b>        | <b>21.32</b>           |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

(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<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>USD sensitivity</b>                               |                        |                        |
| INR/USD- increase by 500 bp (previous year: 500 bp)* | (34.47)                | (35.79)                |
| INR/USD- decrease by 500 bp (previous year: 500 bp)* | 34.47                  | 35.79                  |
| <b>EUR sensitivity</b>                               |                        |                        |
| INR/EUR- increase by 500 bp (previous year: 500 bp)* | 192.37                 | 97.46                  |
| INR/EUR- decrease by 500 bp (previous year: 500 bp)* | (192.37)               | (97.46)                |
| <b>GBP sensitivity</b>                               |                        |                        |
| INR/GBP- increase by 500 bp (previous year: 500 bp)* | (4.10)                 | (27.13)                |
| INR/GBP- decrease by 500 bp (previous year: 500 bp)* | 4.10                   | 27.13                  |
| <b>JPY sensitivity</b>                               |                        |                        |
| INR/JPY- increase by 500 bp (previous year: 500 bp)* | (14.92)                | (25.50)                |
| INR/JPY- decrease by 500 bp (previous year: 500 bp)* | 14.92                  | 25.50                  |
| <b>SEK sensitivity</b>                               |                        |                        |
| INR/SEK- increase by 500 bp (previous year: 500 bp)* | (1.06)                 | (0.42)                 |
| INR/SEK- decrease by 500 bp (previous year: 500 bp)* | 1.06                   | 0.42                   |
| <b>SGD sensitivity</b>                               |                        |                        |
| INR/SGD- increase by 500 bp (previous year: 500 bp)* | -                      | (0.02)                 |
| INR/SGD- decrease by 500 bp (previous year: 500 bp)* | -                      | 0.02                   |
| <b>CNY sensitivity</b>                               |                        |                        |
| INR/CNY- increase by 500 bp (previous year: 500 bp)* | (2.97)                 | (7.54)                 |
| INR/CNY- decrease by 500 bp (previous year: 500 bp)* | 2.97                   | 7.54                   |

\* Holding all other variables constant

### b) Interest rate risk

#### i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2021, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits pay fixed interest rates.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

| Particulars             | As at<br>31 March 2021 | As at<br>31 March 2020 |
|-------------------------|------------------------|------------------------|
| Variable rate borrowing | -                      | -                      |
| Fixed rate borrowing    | -                      | -                      |
| Total borrowings        | -                      | -                      |

### Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

| Particulars                                     | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <b>Interest sensitivity*</b>                    |                        |                        |
| Interest rates – increase by 50 bp basis points | -                      | -                      |
| Interest rates – decrease by 50 bp basis points | -                      | -                      |

\* Holding all other variables constant

### 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.

## 33. 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<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Total debt   | -                      | -                      |
| Less: Cash and bank balances                         | 21,301.53              | 8,906.26               |
| Net debt   | (21,301.53)            | (8,906.26)             |
| Total equity (as shown on the face of balance sheet) | 82,071.86              | 81,773.47              |
| Net debt to equity ratio                             | 0.00%                  | 0.00%                  |

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 2021

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

### 34. Capital commitments

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Property, plant and equipment (net of advances paid) | 2,027.83               | 1,528.75               |
|  | <b>2,027.83</b>        | <b>1,528.75</b>        |

### 35. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>Current assets</b>  |                        |                        |
| Inventories, cash and cash equivalents and trade receivables | 66,649.13              | 49,649.94              |
| <b>Total current assets pledged as security</b>              | <b>66,649.13</b>       | <b>49,649.94</b>       |

### 36. 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 ₹ 13,358.89 lacs (previous year ₹ 10,986.76 lacs). No other single customer represents 10% or more to the Group revenue for financial year ended 31 March 2021 and 31 March 2020.

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

| Particulars     | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|-----------------|-----------------------------|-----------------------------|
| India           | 93,505.68                   | 96,546.64                   |
| Other countries | 15,631.13                   | 10,230.64                   |
|                 | <b>1,09,136.81</b>          | <b>1,06,777.28</b>          |

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

| Particulars     | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|-----------------|-----------------------------|-----------------------------|
| India           | 19,168.98                   | 16,147.41                   |
| Other countries | 7,304.76                    | 3,469.67                    |
|                 | <b>26,473.74</b>            | <b>19,617.08</b>            |

The Group has common assets for producing goods for India and outside countries. Hence, separate figures for assets/additions to fixed assets cannot be furnished.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 37. Contingent liabilities

| Particulars   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <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  | 898.75                 | 910.78                 |
| <b>(ii) Service tax</b>   |                        |                        |
| (b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods                                 | 1,059.57               | 1,376.55               |
| <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                                 | 1,633.16               | 750.08                 |
| <b>(iv) 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                                 | 2,878.71               | 2,922.82               |
| (c) Show cause notices on issues yet to be adjudicated  | 9.89                   | 38.26                  |
| <b>(v) Others</b>   |                        |                        |
| (a) Employee related cases  | 177.22                 | 146.01                 |

- 37. (b)** The Group has received an 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 net impact of the Order on the Group could be approximately ₹ 4,275 lacs. The Group has considered a provision of the complete amount in its books towards any such liability based on generally accepted accounting principles. The above impact of ₹ 4,275 lacs, has been disclosed as exceptional item in these financial statements. Irrespective of the heads under which they appear or their nomenclature/heading/title/narration, etc., such provisions do not make the Group liable for payment since liability is disputed as the Group has filed a review petition against the said Order before the Hon'ble Supreme Court on 15 June 2021. Based on legal advice obtained, the Group's petition has a merit and the estimate of the liability may undergo a revision based on the outcome of the review petition.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 38. 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. Mukul Gupta, Non-executive Director (till 12 February 2020)
- Mr. Sundareshan Kanakku Chembakaraman Pillai, Non-executive Director
- Mr. Mahendra Kumar Goyal, Non-executive Director (till 31 October 2019)
- Ms. Nalini Jolly (from 13 August 2019)
- Mr. Abhishek Nagar (from 03 September 2019)
- Mr. Anand Kumar Sahoo (till 22 August 2019)
- 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 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               |
| - Federal Mogul Sintered Products Limited. (U.K.)           | - Federal-Mogul Ignition Products India Limited            |
| - Federal Mogul Friction Products Limited (Thailand)        | - Federal-Mogul Powertrain Solutions India Private Limited |
| - Federal Mogul Thailand Manufacturina Ayuthaya, (Thailand) | - Federal Mogul Anand Sealing India Limited                |
| - Federal Mogul France, S.A. (France)                       | - Motocare India Private Limited                           |
| - Federal Mogul Corporation, Garennes (France)              | - Federal Mogul Motoparts India Limited                    |
| - Federal Mogul (Shanghai)                                  | - Tenneco Clean Air India Private Limited                  |
| - Federal Mogul Friction Products Limited.                  | - TPR Co. Limited, Japan                                   |
| - Federal Mogul Worldwide Aftermarket                       | - Federal Mogul UK Investments Limited                     |
| - Federal Mogul Sistemas Brazil                             | - Anqing Tp Goetze Piston                                  |
| - Federal Mogul Dongsuh Piston Co. Limited. (China)         | - PT TPR Indonesia   |
| - Federal Mogul Bradford Limited.                           | - TPR(Tianjin).,Ltd  |
| - Federal Mogul Powertrain Spars, MI                        | - Federal Mogul TP Europe GMBH & Co KG, Burscheid JV       |
| - Federal Mogul KK Yokohama                                 | - TPR Co. Auto Parts Mfg India Ltd                         |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

Rs. in lacs

(ii) Those transactions along with related balances as at 31 March 2020 and 31 March 2021 are presented in the following table:

| Particulars   | Ultimate Holding Company<br>Tennoco Inc. (USA) |                                  |
|---|--|----------------------------------|
|   | 1 April 2020 to<br>31 March 2021               | 1 April 2019 to<br>31 March 2020 |
| Expenses incurred by Company                              | <b>62.47</b>                                   | 73.10                            |
| Balance outstanding as at the end of the year receivables | <b>132.27</b>                                  | 69.14                            |

| Particulars   | Fellow Subsidiaries                            |                                  |   |                                  |   |                                  |                                    |                                  |
|---|--|----------------------------------|---|----------------------------------|---|----------------------------------|------------------------------------|----------------------------------|
|   | Federal-Mogul<br>Bradford Limited<br>(Germany) |                                  | Federal-Mogul<br>Burscheid GMBH,<br>(Germany) |                                  | Federal Mogul<br>Powertrain<br>Otomotiv A |                                  | Federal-Mogul<br>Motorparts<br>LLC |                                  |
|   | 1 April 2020 to<br>31 March 2021               | 1 April 2019 to<br>31 March 2020 | 1 April 2020 to<br>31 March 2021              | 1 April 2019 to<br>31 March 2020 | 1 April 2020 to<br>31 March 2021          | 1 April 2019 to<br>31 March 2020 | 1 April 2020 to<br>31 March 2021   | 1 April 2019 to<br>31 March 2020 |
| Sales #   | -  | -                                | <b>0.07</b>                                   | -                                | <b>139.02</b>                             | -                                | <b>4,849.93</b>                    | 3,960.29                         |
| Purchase of<br>raw material #                                   | <b>906.67</b>                                  | 678.21                           | <b>469.04</b>                                 | 374.72                           | -   | -                                | -                                  | -                                |
| Purchase of property,<br>plant and equipment                    | -  | -                                | <b>579.15</b>                                 | 462.88                           | -   | -                                | -                                  | -                                |
| Expenses incurred on<br>Company's behalf                        | -  | -                                | <b>64.23</b>                                  | 107.83                           | -   | -                                | -                                  | -                                |
| Expenses incurred<br>by Company                                 | -  | -                                | <b>94.34</b>                                  | 3.06                             | -   | -                                | -                                  | -                                |
| Royalty Expenses  | -  | -                                | <b>601.65</b>                                 | 706.56                           | -   | -                                | -                                  | -                                |
| Balance outstanding<br>as at the end of the<br>year (payables)  | -  | (354.82)                         | <b>(465.81)</b>                               | (630.40)                         | -   | -                                | -                                  | (20.47)                          |
| Balance outstanding<br>as at the end of the<br>year receivables | -  | -                                | <b>103.96</b>                                 | 9.55                             | <b>44.92</b>                              | -                                | <b>4,272.83</b>                    | 2,000.89                         |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

Rs. in lacs

| 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 2020 to 31 March 2021          | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021                            | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021               | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021    | 1 April 2019 to 31 March 2020 |
| Sales #   | <b>4.78</b>                            | 23.23                         | <b>4,023.38</b>  | 837.30                        | -   | 538.03                        | -                                | -                             |
| Purchase of raw material #                                | <b>41.94</b>                           | 94.74                         | -  | -                             | -   | -                             | -                                | -                             |
| Purchase of property, plant and equipment                 | <b>1,160.70</b>                        | 23.25                         | -  | -                             | -   | -                             | -                                | -                             |
| Management support charges paid                           | -                                      | -                             | -  | -                             | <b>2,683.35</b>                             | 2,308.50                      | -                                | -                             |
| Expenses incurred on Company's behalf                     | <b>7.11</b>                            | -                             | -  | -                             | -   | <b>0.55</b>                   | -                                | -                             |
| Commission paid   | -                                      | -                             | -  | -                             | -   | -                             | <b>23.69</b>                     | 13.29                         |
| Royalty expense   | <b>964.74</b>                          | 866.22                        | -  | -                             | -   | -                             | -                                | -                             |
| Balance outstanding as at the end of the year (payable)   | <b>(412.18)</b>                        | (464.77)                      | -  | -                             | <b>(528.56)</b>                             | -                             | -                                | (2.98)                        |
| Balance outstanding as at the end of the year receivables | <b>22.82</b>                           | 17.79                         | <b>576.10</b>  | 73.68                         | -   | 349.40                        | <b>295.85</b>                    | 94.51                         |
|   |  |                               |  |                               |   |                               | -                                | -                             |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

| Particulars   | Fellow subsidiaries           |                               |                                       |                               |                               |                               |                               |                               |                               |                               | Rs. in lacs                   |                               |
|---|-------------------------------|-------------------------------|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|   | Federal Mogul S De RI De Cv   |                               | Federal Mogul Products Limited, (U.K) |                               | Federal Mogul Friedberg GMBH  |                               | Federal Mogul Ltd-UK          |                               | Federal Mogul Powertrain LLC  |                               | Other fellow subsidiaries     |                               |
|   | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021         | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 |
| Sales #   | -                             | 16.27                         | 84.14                                 | -                             | -                             | -                             | -                             | -                             | 7.36                          | -                             | 71.02                         | 0.41                          |
| Purchase of raw material #                                | 6.48                          | -                             | 364.09                                | 333.40                        | 44.96                         | 131.56                        | -                             | -                             | 259.81                        | -                             | 25.52                         | 168.19                        |
| Purchase of property, plant and equipment                 | -                             | -                             | -                                     | 28.96                         | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             |
| Trade mark & license fees                                 | -                             | -                             | -                                     | -                             | -                             | -                             | 129.71                        | 141.95                        | -                             | -                             | -                             | -                             |
| Expenses incurred on Company's behalf                     | -                             | -                             | -                                     | -                             | -                             | -                             | -                             | -                             | -                             | -                             | 0.61                          | -                             |
| Expenses incurred by Company                              | -                             | 0.89                          | -                                     | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             |
| Royalty expense   | -                             | -                             | 298.52                                | 264.32                        | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             |
| Balance outstanding as at the end of the year (payable)   | (3.21)                        | (1.21)                        | (175.42)                              | (292.74)                      | -                             | (58.34)                       | (40.19)                       | -                             | (201.21)                      | -                             | (25.62)                       | (35.02)                       |
| Balance outstanding as at the end of the year receivables | -                             | 17.06                         | 85.00                                 | -                             | -                             | -                             | -                             | -                             | 7.26                          | -                             | (10.62)                       | (37.67)                       |



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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

Rs. in lacs

| Particulars   | Fellow subsidiaries                                |                               |  |                               |                               |                               |  |                               |  |                               |   |       |             |            |           |
|---|--|-------------------------------|--|-------------------------------|-------------------------------|-------------------------------|--|-------------------------------|--|-------------------------------|---|-------|-------------|------------|-----------|
|   | Federal Mogul Anand Bearings India Limited (India) |                               | Federal Mogul Ignition Products India Limited (India)* |                               | Tenneco Clean Air             |                               | Federal Mogul Powertrain Solutions India Private Ltd (India) |                               | Motocare India Private Limited (India) |                               | Federal Mogul Anand Sealing India Limited |       | Grand Total |            |           |
|   | 1 April 2020 to 31 March 2021                      | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021                          | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021                                | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021          | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021             |       |             |            |           |
| Sales #   | -  | -                             | -  | -                             | -                             | -                             | -  | -                             | -                                      | 4,512.49                      | 4,892.60                                  | -     | -           | 14,414.17  | 10,268.13 |
| Purchase of raw material, intermediaries and finished goods # | -  | -                             | -  | -                             | -                             | -                             | -  | -                             | -                                      | -                             | -   | -     | -           | 2,118.52   | 1,780.82  |
| Expenses incurred on Company's behalf                         | 17.44  | 19.19                         | -  | -                             | 82.59                         | -                             | 13.76  | 16.76                         | 160.67                                 | 736.06                        | -   | 10.84 | 346.95      | 890.68     |           |
| Expenses incurred by Company (Expenses Debited by us)         | 7.12   | 18.46                         | -  | 0.91                          | 99.26                         | -                             | 185.78   | 161.90                        | 0.36                                   | 607.40                        | 162.73                                    | 48.11 | 549.59      | 840.73     |           |
| Inter-corporate deposit (ICD) taken                           | -  | -                             | -  | -                             | 2,200.00                      | -                             | -  | 4,400.00                      | -                                      | -                             | -   | -     | -           | 4,400.00   |           |
| Inter-corporate deposit (ICD) repaid                          | -  | -                             | -  | 300.00                        | 2,200.00                      | -                             | -  | 6,400.00                      | -                                      | -                             | -   | -     | -           | 6,700.00   |           |
| Commission paid   | -  | -                             | -  | -                             | -                             | -                             | -  | -                             | -                                      | -                             | -   | -     | 23.69       | 13.29      |           |
| Interest on ICD   | -  | -                             | -  | 5.91                          | -                             | -                             | -  | 8.05                          | -                                      | -                             | -   | -     | -           | 13.96      |           |
| Balance outstanding as at the end of the year (payable)       | -  | (56.59)                       | 0.13   | (0.26)                        | (82.59)                       | -                             | (535.43)   | (393.79)                      | (198.44)                               | (13.94)                       | (26.91)                                   | -     | (2,701.54)  | (2,325.33) |           |
| Balance outstanding as at the end of the year receivables     | 55.45  | 48.32                         | 10.88  | 10.88                         | 99.26                         | -                             | 549.86   | 396.57                        | 565.63                                 | 165.85                        | 44.70                                     | 14.30 | 6,723.88    | 3,161.13   |           |
| Purchase of property, plant and equipment                     | -  | -                             | -  | -                             | -                             | -                             | -  | -                             | -                                      | -                             | -   | -     | 1,739.85    | 515.09     |           |
| Trade mark & license fees                                     | -  | -                             | -  | -                             | -                             | -                             | -  | -                             | -                                      | -                             | -   | -     | 129.71      | 141.95     |           |
| Management support charges paid                               | -  | -                             | -  | -                             | -                             | -                             | -  | -                             | -                                      | -                             | -   | -     | 2,683.35    | 2,308.50   |           |
| Royalty expense   | -  | -                             | -  | -                             | -                             | -                             | -  | -                             | -                                      | -                             | -   | -     | 1,864.90    | 1,837.10   |           |
| Interest income   | -  | -                             | -  | -                             | 14.92                         | -                             | -  | -                             | -                                      | -                             | -   | -     | 14.92       | -          | -         |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

| Particulars  | Fellow subsidiaries                 |                               |                               |                               |                               |                               |                               |                               |                               |                               | Rs. in lacs                   |                               |
|--|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | Federal Mogul UK Investment Limited |                               | TPR Co. Limited Japan         |                               | Anqing TP Goetze Piston       |                               | PT TPR Indonesia              |                               | TPR (Tianjin), Limited        |                               | Grand Total                   |                               |
|  | 1 April 2020 to 31 March 2021       | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 |
| Sales#   | -                                   | -                             | (2.33)                        | 6.25                          | -                             | -                             | -                             | -                             | -                             | -                             | (2.33)                        | 6.25                          |
| Purchase of raw material, intermediaries and finished goods# | -                                   | -                             | 10.60                         | 27.56                         | 7.55                          | 210.17                        | 100.84                        | 3.63                          | 8.48                          | 2.60                          | 127.48                        | 243.96                        |
| Purchase of property, plant and equipment #                  | -                                   | -                             | 21.27                         | -                             | -                             | -                             | -                             | -                             | -                             | 146.80                        | 21.27                         | 146.80                        |
| Dividend Paid  | 78.30                               | 56.25                         | 348.00                        | 250.00                        | -                             | -                             | -                             | -                             | -                             | -                             | 426.30                        | 306.25                        |
| Management support charges                                   | -                                   | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             |
| Job work expenses  | -                                   | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             |
| Sole selling commission paid                                 | -                                   | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             |
| Expenses incurred on Company's behalf                        | -                                   | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             |
| Rent expense   | -                                   | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             |
| Royalty Expense  | -                                   | -                             | 103.28                        | 127.46                        | -                             | -                             | -                             | -                             | -                             | -                             | 103.28                        | 127.46                        |
| Commission-paid  | -                                   | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             |
| Inter-Corporate Deposit (ICD) given                          | -                                   | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             |
| Inter-Corporate Deposit (ICD) received back                  | -                                   | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             |
| Interest on ICD  | -                                   | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             |
| <b>Closing balance as on 31 March 2021</b>                   |                                     |                               |                               |                               |                               |                               |                               |                               |                               |                               |                               |                               |
| Balance outstanding as at the end of the year Receivable     | -                                   | -                             | 0.96                          | 6.25                          | 7.52                          | 9.59                          | -                             | -                             | -                             | -                             | 8.48                          | 15.84                         |
| Balance outstanding as at the end of the year (Payable)      | -                                   | -                             | (34.20)                       | (90.10)                       | -                             | -                             | (63.26)                       | (32.16)                       | -                             | (146.80)                      | (97.46)                       | (269.06)                      |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

| Key Managerial Personnel* |                               |                               |                               |                               | Rs. in lacs                   |
|---------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Particulars               | Mr Vinod Kumar Hans           |                               | Mr Manish Chadha              |                               | Mr Rajesh Sinha               |
|                           | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2019 to 31 March 2020 |
| Remuneration              | 213.40                        | 170.31                        | 94.73                         | 90.91                         | 106.25                        |
|                           |                               |                               |                               | 88.27                         | 99.65                         |

| Key Managerial Personnel*                |                               |                               |                               |                               |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Particulars                              | Mr. Anand Kumar Sahoo         |                               | Mr. Kapil Arora               |                               | Mr. Toshiaki Imai             |
|  | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2019 to 31 March 2020 |
| Remuneration/<br>Director's sitting fees | -                             | 11.51                         | 9.33                          | 32.41                         | 47.00                         |
|  |                               |                               |                               | 17.67                         | 68.44                         |
|  |                               |                               |                               |                               | Grand Total                   |
|  |                               |                               |                               |                               | 597.63                        |
|  |                               |                               |                               |                               | 579.17                        |

### Non-executive directors\*

| Particulars            | Mr Krishnamurthy Naga Subramaniam |                               | Mr Mukul Gupta                |                               | Sundareshan Kanakku Chembakaraman Pillai | Mahendra Kumar Goyal          |
|------------------------|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|--|-------------------------------|
|                        | 1 April 2020 to 31 March 2021     | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021 | 1 April 2019 to 31 March 2020 | 1 April 2020 to 31 March 2021            | 1 April 2019 to 31 March 2020 |
| Director's sitting fee | 12.35                             | 13.35                         | -                             | 12.20                         | 8.80                                     | 0.40                          |
|                        |                                   |                               |                               |                               | 2.60                                     | -                             |
|                        |                                   |                               |                               |                               |  | 0.40                          |
|                        |                                   |                               |                               |                               |  | Total                         |
|                        |                                   |                               |                               |                               |  | Ms Nalin Jolly                |
|                        |                                   |                               |                               |                               |  | 1 April 2020 to 31 March 2021 |
|                        |                                   |                               |                               |                               |  | 1 April 2019 to 31 March 2020 |
|                        |                                   |                               |                               |                               |  | 5.00                          |
|                        |                                   |                               |                               |                               |  | 3.80                          |
|                        |                                   |                               |                               |                               |  | 26.15                         |
|                        |                                   |                               |                               |                               |  | 32.35                         |

# All sales and purchase above are inclusive of GST (wherever applicable). Sales are net of the sales return.

\*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.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 39. 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 2020

| Particulars                      | Category of ROU asset |                 |                  | Total           |
|----------------------------------|-----------------------|-----------------|------------------|-----------------|
|                                  | Leasehold land        | Buildings       | Office Equipment |                 |
| <b>Gross carrying value</b>      |                       |                 |                  |                 |
| <b>As at 01 April 2019</b>       | 362.87                | -               | -                | 362.87          |
| Additions/transfers              | -                     | 348.90          | 8.39             | 357.29          |
| Disposals                        | -                     | -               | -                | -               |
| <b>As at 31 March 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> |
| <b>Accumulated depreciation</b>  |                       |                 |                  |                 |
| As at 01 April 2019              | 12.84                 | -               | -                | 12.84           |
| Depreciation charge for the year | 4.28                  | 216.43          | 2.59             | 223.30          |
| Disposals                        | -                     | -               | -                | -               |
| <b>As at 31 March 2020</b>       | <b>17.12</b>          | <b>216.43</b>   | <b>2.59</b>      | <b>236.14</b>   |
| 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>   |
| <b>Net carrying value</b>        |                       |                 |                  |                 |
| <b>As at 31 March 2020</b>       | <b>345.75</b>         | <b>132.47</b>   | <b>5.80</b>      | <b>484.02</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> |

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 2021

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

#### The following is the movement in lease liabilities for the year ended 31 March 2020

| Particulars                          | As at<br>31 March 2020 |
|--------------------------------------|------------------------|
| As at 01 April 2019                  | 357.29                 |
| Additions                            | -                      |
| Finance cost accrued during the year | 20.87                  |
| Deletions                            | -                      |
| Payment of lease liabilities         | (230.98)               |
|                                      | <b>147.18</b>          |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

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 movement in lease liabilities for the year ended 31 March 2021

| Particulars                          | As at<br>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<br>31 March 2021 | As at<br>31 March 2020 |
|----------------------|------------------------|------------------------|
| Less than one year   | <b>146.87</b>          | 143.69                 |
| One to five years    | <b>580.18</b>          | 8.46                   |
| More than five years | <b>638.25</b>          | -                      |

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<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Depreciation expense of right-of-use assets                        | <b>177.65</b>               | 223.30                      |
| Interest expense on lease liabilities                              | <b>35.01</b>                | 20.87                       |
| Expense relating to short-term leases (included in other expenses) | <b>96.37</b>                | 112.28                      |
|  | <b>309.03</b>               | <b>356.45</b>               |

### (ii) Lease related disclosures

- 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.
- Total cash outflow for leases for the year ended 31 March 2021 was ₹ 198.71 lacs (31 March 2020 ₹ 230.98 lacs).
- 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.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

(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                | 74 Years                | 74 Years                     | 1                                      | -                                     | 1  |
| Buildings           | 3                | 1-104 months            | 41 months                    | 3                                      | -                                     | 3  |
| Office Equipment    | 1                | 15 months               | 15 months                    | 1                                      | -                                     | 1  |

(e) There are no leases which are yet to commence as on 31 March 2021.

### 40. 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

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

| Description  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Current service cost   | 537.16                      | 478.24                      |
| Interest cost  | 672.91                      | 682.54                      |
| Expected Return on plan assets                               | (472.20)                    | (484.65)                    |
| <b>Amount recognised in the statement of profit and loss</b> | <b>737.87</b>               | <b>676.13</b>               |

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

| Description  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Actuarial loss/(gain) on obligations arising from changes in demographic adjustments             | 76.60                       | (35.53)                     |
| Actuarial (gain)/loss on obligations arising from changes in experience adjustments              | (208.30)                    | 926.93                      |
| Actuarial (gain)/loss on obligations arising from changes in financial assumptions               | (104.95)                    | 352.19                      |
| <b>Remeasurements of the post employment defined benefit plans (gain)/loss</b>                   | <b>(236.65)</b>             | <b>1,243.59</b>             |
| Return on plan assets (greater) than discount rate   | (93.06)                     | (19.97)                     |
| <b>Remeasurements of the post employment defined benefit plans (gain)/loss recognised in OCI</b> | <b>(329.71)</b>             | <b>1,223.62</b>             |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

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

| Description  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| <b>Present value of defined benefit obligation as at the beginning of the year</b> | <b>10,596.03</b>            | 9,266.78                    |
| Current service cost   | 537.16                      | 478.24                      |
| Interest cost  | 672.91                      | 682.54                      |
| Remeasurements of the post employment defined benefit plans (gain)/loss            | (236.65)                    | 1,243.59                    |
| Benefits paid directly by the group  | -                           | (1.09)                      |
| Benefits paid from the fund  | (1,180.49)                  | (1,074.03)                  |
| <b>Present value of defined benefit obligation as at the end of the year</b>       | <b>10,388.96</b>            | <b>10,596.03</b>            |

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

| Description  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Fair value of plan assets at beginning of year                   | 7,156.68                    | 6,626.10                    |
| Expected return on plan assets                                   | 472.20                      | 484.65                      |
| Contributions by employer  | 1,176.13                    | 1,099.99                    |
| Benefits paid  | (1,180.49)                  | (1,074.03)                  |
| Remeasurements of the post employment defined benefit plans loss | 93.06                       | 19.97                       |
| <b>Fair value of plan assets at the end of the year</b>          | <b>7,717.58</b>             | <b>7,156.68</b>             |

| Description                   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|-------------------------------|------------------------|------------------------|
| Defined benefit obligation    | 10,388.96              | 10,596.03              |
| Fair valuation of plan assets | 7,717.58               | 7,156.68               |
|                               | <b>2,671.38</b>        | <b>3,439.35</b>        |

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

| Description                        | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|------------------------------------|-----------------------------|-----------------------------|
| Insurance company products         | 95.82%                      | 95.50%                      |
| Equity shares                      | 0.00%                       | 3.50%                       |
| Bonds (including accrued interest) | 0.00%                       | 0.00%                       |
| Investment funds                   | 2.93%                       | 0.00%                       |
| Cash                               | 1.25%                       | 1.00%                       |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### Actuarial assumptions

| Description                            | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Discount rate                          | 6.70% p.a.                  | 6.60% p.a.                  |
| Normal retirement age*                 | 60 years                    | 58 years                    |
| Employee turnover#                     | 1% - 4.3%p.a.               | 1% - 7%p.a.                 |
| Expected rate of return on plan assets | 6.70% p.a.                  | 6.60% p.a.                  |
| Salary increase rate#                  | 3% - 8.5%p.a.               | 3% - 8%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.

### A quantitative sensitivity analysis for significant assumptions

| Description  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| <b>Impact of the change in discount rate</b>       |                             |                             |
| Present value of obligation at the end of the year | <b>10,388.96</b>            | 10,596.03                   |
| - Impact due to increase of 0.50 %                 | <b>10,029.82</b>            | 10,290.19                   |
| - Impact due to decrease of 0.50 %                 | <b>10,769.87</b>            | 10,918.84                   |
| <b>Impact of the change in salary increase</b>     |                             |                             |
| Present value of obligation at the end of the year | <b>10,388.96</b>            | 10,596.03                   |
| - Impact due to increase of 0.50 %                 | <b>10,724.71</b>            | 10,887.56                   |
| - Impact due to decrease of 0.50 %                 | <b>10,064.28</b>            | 10,315.38                   |

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<br>31 March 2021 |
|---|-----------------------------|
| Year ended 31 March 2022                  | <b>300.22</b>               |
| Year ended 31 March 2023                  | <b>932.41</b>               |
| Year ended 31 March 2024                  | <b>1,165.95</b>             |
| Year ended 31 March 2025                  | <b>1,325.01</b>             |
| Year ended 31 March 2026                  | <b>1,478.63</b>             |
| Year ended 31 March 2027 to 31 March 2031 | <b>8,153.31</b>             |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 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                                   | As at<br>31March 2021 | As at<br>31March 2020 |
|---|-----------------------|-----------------------|
| <b>Revenue from contracts with customers</b>  |                       |                       |
| <b>Sale of products</b>                       |                       |                       |
| Domestic                                      | 93,505.68             | 96,546.64             |
| Export  | 15,631.13             | 10,230.64             |
| <b>Other operating income</b>                 | <b>1,579.64</b>       | <b>1,763.47</b>       |
| <b>Total revenue covered under Ind AS 115</b> | <b>1,10,716.45</b>    | <b>1,08,540.75</b>    |

#### c Contract balances

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

| Particulars                                | Year Ended<br>31March 2021 | Year Ended<br>31March 2020 |
|--|----------------------------|----------------------------|
| <b>Contract liabilities</b>                |                            |                            |
| Advances from consumers                    | 239.00                     | 165.39                     |
| Security deposits received from customers  | 393.67                     | 422.48                     |
| <b>Total contract liabilities</b>          | <b>632.67</b>              | <b>587.87</b>              |
| <b>Receivables</b>                         |                            |                            |
| Trade receivables                          | 26,762.55                  | 19,877.84                  |
| Less : Allowances for expected credit loss | (288.81)                   | (260.76)                   |
| <b>Net receivables</b>                     | <b>26,473.74</b>           | <b>19,617.08</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 2021

(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 2021     |   |
|---|-------------------------|---|
|   | Contract Liabilities    |   |
|   | Advances from consumers | Security deposits received from customers |
| Opening balance   | 165.39                  | 422.48                                    |
| Additions during the year   | 7,794.32                | 27.90                                     |
| Revenue recognised during the year/ amount refunded during the year | (7,720.71)              | (56.71)                                   |
| Closing balance   | 239.00                  | 393.67                                    |

| Particulars   | As at 31 March 2020     |   |
|---|-------------------------|---|
|   | Contract Liabilities    |   |
|   | Advances from consumers | Security deposits received from customers |
| Opening balance   | 129.63                  | 452.98                                    |
| Additions during the year   | 5,345.02                | 44.92                                     |
| Revenue recognised during the year/ amount refunded during the year | (5,309.26)              | (75.42)                                   |
| Closing balance   | 165.39                  | 422.48                                    |

### 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 2021

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

### 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<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| a The principal amount remaining unpaid as at the end of year  | 1,513.39               | 951.36                 |
| b Interest due on above principal and remaining unpaid as at the end of the year   | 0.04                   | 0.05                   |
| 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.   | 5.24                   | 17.15                  |
| e The amount of interest accrued and remaining unpaid at the end of each accounting year; and  | 6.91                   | 17.20                  |
| 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 | -                      | -                      |

### 43. Provision for regulatory matters

The Parent 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 ₹ 207.48 lacs is included under Note no. 14 for provisions which are net of amounts utilized of ₹ 127.30 lacs during the year towards remediation.

In addition to the above, the provision for regulatory matters includes a provision of ₹ 5,648.97 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.

### 44. Management support charges

During the financial year 2020-21, the company has paid the management support charges under cost allocation agreement with Federal Mogul Holding Deutschland GmbH to ₹ 2,683.35 lacs (previous year ₹ 2,654.11 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 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 2021

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

### 46. 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 ₹ 240.96 lacs (previous year: ₹ 295.87 lacs)
- b) Amount spent during the year on-

| Particulars                               | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| (i) Construction/acquisition of any asset | 43.88                  | 78.57                  |
| (ii) On purposes other than (i) above     | 197.21                 | 218.76                 |
|   | <b>241.09</b>          | <b>297.33</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<br>required to be<br>spent during<br>the year | Amount<br>spent during<br>the year | Closing balance* |
|-----------------|--|------------------------------------|------------------|
| -               | 240.96   | 241.09                             | -                |

| Opening balance |                                   | Amount<br>required to be<br>spent during<br>the year | Amount spent<br>during the year   |                                     | Closing balance* |                                   |
|-----------------|-----------------------------------|--|-----------------------------------|-------------------------------------|------------------|-----------------------------------|
| With<br>Company | In Separate<br>CSR<br>Unspent A/c |  | From<br>Company's<br>bank account | From separate<br>CSR<br>Unspent A/c | With<br>Company  | In Separate<br>CSR<br>Unspent A/c |
| -               | -                                 | 240.96   | 241.09                            | -                                   | -                | -                                 |

\* refer point (e) of note no. 46



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

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

| Particulars   | Lease liabilities | Short term borrowings* | Interest     |
|---|-------------------|------------------------|--------------|
| Opening Balance 1 April 2019                        | 357.29            | 2,300.00               | 107.20       |
| <b>Non cash changes due to</b>                      |                   |                        |              |
| - Interest expense                                  | 20.87             | -                      | 316.49       |
| <b>Cash flows during the year due to</b>            |                   |                        |              |
| - Repayment of lease liabilities                    | (230.98)          | -                      | -            |
| - Movement in short term borrowings during the year | -                 | (2,300.00)             | -            |
| - Payment of interest                               | -                 | -                      | (343.19)     |
| <b>Closing Balance as on 31 March 2020</b>          | <b>147.18</b>     | <b>-</b>               | <b>80.50</b> |
| <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>            |                   |                        |              |
| - Deletion of lease liabilities                     | (11.09)           | -                      | -            |
| - Repayment of lease liabilities                    | (198.71)          | -                      | -            |
| - Payment of interest                               | -                 | -                      | (216.80)     |
| <b>Closing Balance as on 31 March 2021</b>          | <b>961.23</b>     | <b>-</b>               | <b>53.58</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)

### 48. Disclosure of additional information pertaining to the Parent and subsidiary company per Schedule III of Companies Act, 2013 :

| 2020-21                            |   |                          |                           |                                  |                                 |            |                                    |                 |
|------------------------------------|---|--------------------------|---------------------------|----------------------------------|---------------------------------|------------|------------------------------------|-----------------|
| Name of the Company                | 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) |
| <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

| 2019-20                            |   |                          |                           |                                  |                                 |            |                                    |                 |
|------------------------------------|---|--------------------------|---------------------------|----------------------------------|---------------------------------|------------|------------------------------------|-----------------|
| Name of the Company                | 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) |
| <b>Parent Company</b>              |   |                          |                           |                                  |                                 |            |                                    |                 |
| Federal Mogul Goetze India Limited | 84.8  | 74,899.91                | 67.2                      | 2,602.20                         | 99.6                            | (912.02)   | 57.2                               | 1,690.17        |
| <b>Indian Subsidiary</b>           |   |                          |                           |                                  |                                 |            |                                    |                 |
| Federal-Mogul TPR (India) Limited  | 15.2  | 13,477.55                | 32.8                      | 1,269.56                         | 0.4                             | (3.62)     | 42.8                               | 1,265.94        |

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31 March 2020



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### 49. Non-controlling interest

| Particulars   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| Opening balance   | 6,603.99               | 6,352.88               |
| Share of profit during the year                                 | 440.39                 | 622.08                 |
| Share of other comprehensive income/(loss) during the year      | 1.76                   | (1.77)                 |
| Dividend paid during the year (including tax for previous year) | (426.30)               | (369.20)               |
| <b>Closing balance</b>  | <b>6,619.84</b>        | <b>6,603.99</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<br>31 March 2021 | As at<br>31 March 2020 |
|-------------------------------|------------------------|------------------------|
| Current assets                | 10,663.38              | 11,694.13              |
| Current liabilities           | 1,592.50               | 2,166.23               |
| <b>Net current assets</b>     | <b>9,070.88</b>        | <b>9,527.90</b>        |
| Non-current assets            | 5,216.79               | 4,525.85               |
| Non-current liabilities       | 777.77                 | 576.20                 |
| <b>Net non-current assets</b> | <b>4,439.02</b>        | <b>3,949.66</b>        |
| <b>Net assets</b>             | <b>13,509.90</b>       | <b>13,477.56</b>       |
| <b>Accumulated to NCI</b>     | <b>6,619.84</b>        | <b>6,603.99</b>        |

#### b) Summarised Statement of Profit and Loss

##### Federal-Mogul TPR (India) Limited

| Particulars  | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Revenue  | 9,070.54                    | 9,499.83                    |
| Profit for the year                                | 898.76                      | 1,269.56                    |
| Other comprehensive income/(loss)                  | (3.59)                      | 3.62                        |
| <b>Total comprehensive income</b>                  | <b>902.35</b>               | <b>1,265.94</b>             |
| Profit allocated to NCI                            | 440.39                      | 622.08                      |
| Other comprehensive income/(loss) allocated to NCI | (1.76)                      | 1.77                        |
| Dividends paid to NCI                              | 426.30                      | 369.20                      |



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021

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

### c) Summarised Cash Flows

#### Federal-Mogul TPR (India) Limited

| Particulars                                      | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| Cash flows from operating activities             | <b>2,688.71</b>             | 1,303.80                    |
| Cash flows from investing activities             | <b>573.88</b>               | 5,406.43                    |
| Cash flows from financing activities             | <b>(968.29)</b>             | (853.83)                    |
| <b>Net increase in cash and cash equivalents</b> | <b>2,294.30</b>             | <b>5,856.40</b>             |

**50.** Due to the outbreak of Coronavirus Disease 2019 (COVID - 19) which had been declared as a pandemic by the World Health Organisation and subsequent lock down ordered by the Central and State Government(s) in India, the manufacturing facilities of the Group remained suspended for some time during April and May 2020. The Group in compliance with the necessary instructions/guidelines, resumed its operations in May 2020 in a phased manner, while ensuring health and safety of all the stakeholders. This situation resulted in temporary disturbance in the economic activities through interruption in manufacturing process, disruption in supply chain, etc. for the Group during the year ended 31 March 2021. Further, the recent second wave of COVID - 19 has resulted in partial lockdown/restriction in various states. However, the Group is closely monitoring the impact of the aforementioned pandemic and believes that there will not be any adverse impact on the long-term operations and performance of the Group. Further, based on the preliminary estimates, 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 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 Group 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 Group 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

#### Anamitra Das

Partner

Membership No.: 062191

Place: Gurugram

Date: 28<sup>th</sup> June 2021

#### 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





## Notes







# FEDERAL-MOGUL GOETZE (INDIA) LIMITED

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