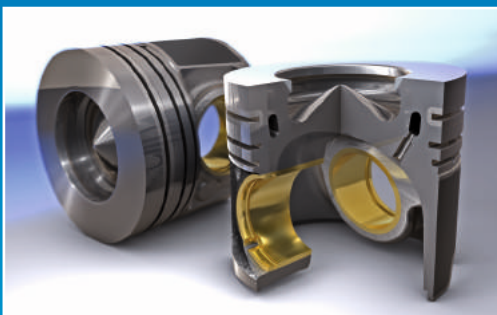
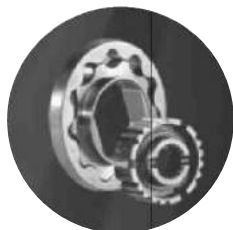
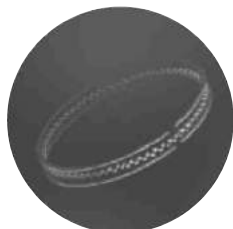
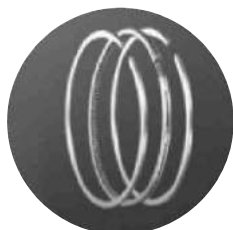


FEDERAL-MOGUL GOETZE (INDIA) LIMITED



63RD Annual Report - 2017-18

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BOARD OF DIRECTORS

Chairman & Director

Mr. K. N. Subramanian

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 Sihna

Ms. Janice Ruskey Maiden

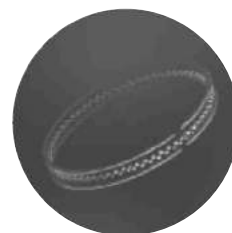
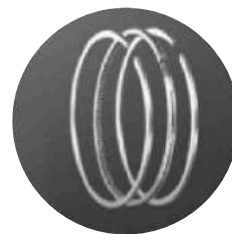
Mr. Mahendra Kumar Goyal

Mr. Mukul Gupta

Mr. K C Sundareshan Pillai

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)
4. Plot No. 46, Sector-11,
IIE-Pantnagar,
Udham Singh Nagar,
(Uttarakhand)

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 2018	March 2017	March 2016	December 2015 (15 months)	December 2013	December 2012	December 2011	December 2010	December 2009	December 2008
Total Income (gross)	136,221.30	141,345.50	150,128.05	170,452.08	126,832.80	131,370.48	126,312.25	102,405.62	84,041.87	79,762.07
Depreciation	7,343.32	7,643.33	7,517.68	8,937.31	6,613.55	6,193.52	5,365.89	4,822.46	4,949.23	4,634.14
Profit before Tax	13,643.81	10,974.58	7,180.15	4,745.73	3,035.85	(1,383.93)	4,864.01	4,569.31	5,067.48	(517.00)
Taxation (adjmt for excess provision for prev.yr. written back if any)	5,109.62	3,780.76	2,779.51	1,610.19	977.29	251.82	1,117.84	1,130.39	457.87	172.23
Profit after Tax	8,534.19	7,193.82	4,400.64	3,135.54	2,058.56	(1,635.74)	3,746.17	3,438.92	4,609.61	(689.23)
Dividend	-	-	-	-	-	-	-	-	-	-
Dividend Tax	-	-	-	-	-	-	-	-	-	-
Retained Profit/(Loss)	8,534.19	7,193.82	4,400.64	3,135.54	2,058.56	(1,635.74)	3,746.17	3,438.92	4,609.61	(689.23)

Assets Liabilities & Net Worth

	March 2018	March 2017	March 2016	December 2015	December 2013	December 2012	December 2011	December 2010	December 2009	December 2008
Fixed Assets	54,712.22	54,088.36	55,247.43	52,409.45	50,710.79	49,557.25	46,346.75	39,043.60	38,348.16	40,062.06
Investments	513.25	513.25	510.00	510.00	510.00	510.00	2,092.34	2,092.34	2,092.34	2,092.34
Indebtedness	6,812.67	11,593.22	20,132.59	21,975.54	20,244.13	19,021.30	15,384.40	8,648.74	10,113.80	16,213.62
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	59,222.58	50,688.39	43,494.57	39,514.26	36,378.72	34,320.16	35,955.90	32,209.74	28,770.82	24,150.79
Net Worth	64,785.79	56,251.60	49,057.78	45,077.47	41,941.93	39,883.37	41,519.11	37,772.95	34,334.03	29,714.00

Significant Ratios

	March 2018	March 2017	March 2016	December 2015	December 2013	December 2012	December 2011	December 2010	December 2009	December 2008
A. Measurement of Investment										
Percentage of Return on Investment (annualised)	19.57	16.02	10.54	7.34	5.01	(2.40)	9.41	10.06	11.21	(1.11)
Percentage of Return on Equity(annualised)	22.54	20.84	15.25	10.91	7.42	(3.40)	12.27	12.67	15.82	(2.18)
Dividend Cover (Ratio)	-	-	-	-	-	-	-	-	-	-
B. Measurement of Performance										
Percentage of Profit before Tax to sales	10.20	7.91	4.91	2.85	2.44	(1.06)	4.05	4.72	6.32	(0.68)
Percentage of Profit after Tax to sales	6.38	5.19	3.01	1.88	1.65	(1.26)	3.12	3.55	5.75	(0.91)
C. Measurement of Financial Status										
Percentage of term Loans to Tangible Net Worth	-	0.08	0.23	0.20	0.18	0.10	1.93	3.18	7.28	13.00
Current Ratio	1.39	1.20	0.98	0.93	0.90	0.83	1.04	1.12	0.99	0.73
D. General										
Dividend per Equity Share (Rs.)	-	-	-	-	-	-	-	-	-	-
Earnings per Equity Share (Rs.) (annualised)	14.91	13.33	7.91	5.64	3.70	(2.94)	6.73	6.18	8.29	(2.05)
Book Value per Equity Share (Rs.)	116.45	101.11	88.18	81.03	75.39	71.69	74.63	67.90	61.72	88.36

Corporate Social Responsibility Activities

Federal-Mogul is dedicated towards fuelling the development of the society through its CSR initiatives. The company undertakes judiciously chosen and meaningful welfare projects with main focus on healthcare, education of under-privileged children, women empowerment, employment to under-privileged youth and skill development.

GURUGRAM

(i) Support to Ghar Angna School

Values formed at a nascent stage play a huge part later in our lives as adults, leading to shaping the society, in which we live. We continue our support to the Ghar Angna School, where we educate children from Nursery to class 3 and engage them to understand the importance of education, thus enabling them to emerge as significant contributors to India's growth story.



(ii) Technical Training Programme in association with SNS Foundation



Federal Mogul - SNSF Two Wheelers Engine Training Practical Lab

We have given training to around 180 youth since 2015 with almost 80% securing jobs in automotive industry. The training focuses on market aligned Skill Development Programme, thereby assisting employment of under-privileged youth by giving them opportunity to develop technical, interpersonal and leadership skills to make them employment ready.

(iii) Our Association with NGO Vidya - Adult Literacy Programme, Open School at IIT Delhi and Silai Centre at Gurugram

We work with the most vulnerable segments of the society in the domain of education, skill development and empowerment at an individual and personalised level at Vidya Centres at IIT Delhi and Gurugram.

The National Institute of Open Schooling (NIOS) programme enables many youngsters to complete their education upto class X & XII. In combination with interventions like the Youth Forum, Computer Literacy Program and the Beyond School Program, we prepare our

students to be job-ready. Activities such as open debates, group discussions, workshops on topical issues, team games, counselling, art, drama, music and dance help the students explore their talents, become self-aware and learn values, which go a long way in increasing their confidence level.

The Beyond School Program is an intervention to support children from low-income backgrounds who are at-risk from dropping out of school. It aims at providing academic coaching to children

(6-12 years) with a focus on English, Maths, Science, computer-aided learning and life skills

The Vidya Deep project aims to provide basic computer, literacy, life skills and spoken english skills to the employed youth of the community to help them scale up their capabilities thereby aiming for better employment opportunities. Three batches of 20 students each have already completed the course successfully. The sessions for the 4th batch commenced in March 2018 and have 22 students enrolled.



The Bridge Course Project at Gurugram and IIT Delhi follow the National Institute of Open Schooling (NIOS) program. NIOS program gives youth who have dropped out of school, a second chance at completing their high school. Over 100 youth are currently enrolled. Besides regular classes, students participate in extra curricular activities like sports, dance, drama, computer basics, English speaking and awareness programs. Students are provided guidance in their

career development through admissions in vocational training programs, such as hospitality and retail, which leads to many getting jobs in renowned hotels.

Additionally, in partnership with the IIT Delhi and National Social Service (NSS), children from slum communities surrounding the IIT campus are offered remedial education, along with adult literacy for youth and women.

Silai Centre at Gurugram – We have seen that educating a mother or a girl

child impacts the entire family and at times the entire community. So, the goal of empowering women is not just humanist, but also an incredible practical intervention for creating real social change. At our Silai Centre at Gurugram, women not only get an opportunity to enthusiastically explore their learning abilities but also get a superior environment where they can freely express themselves.

(iv) Medical Camps

Federal-Mogul strongly believes in playing a positive role in development of the local community where it operates its manufacturing facilities. We had organised Health Camps in slums at various locations around Gurugram. The primary objective of the Camps was to reach out to the village community and to deliver free consultation and provide health awareness to the local population by experienced doctors. The village community welcomed this initiative in a big way and appreciated the continuing efforts of Federal-Mogul to take an active interest in developing the area.



(v) Association with Uday Society for Development, Faridabad and Delhi

The Uday Society for Development (Uday) continues to address the most challenging issue and concern to provide literacy to the under-privileged children from the slums of Faridabad and Delhi with its Non Formal Education centres. During this period 114 children were engaged with the Centre based in the slums of Parvatiya Colony, Sanjay Colony & Gopi Colony (Faridabad). The aim is to encourage each and every child enrolled with Uday Non Formal Education Centres to motivate We propose them to move to regular classes.

Uday continued to provide income generation support to women & girls in slum areas to improve their economic and social conditions and make them empowered to come forward and take part in their own development and decision making process. During the FY 2017-18, Uday has been providing skills to 92 women and young girls. Regular courses related to income generation activities like Beautician Course, Sewing Training and Handicraft Training enable women to be financially independent and contributing to their family income.



PATIALA



i) Upgrading ITI Patiala : Federal-Mogul is committed towards upgrading quality of education at ITI Training Centre at Patiala, thereby aiming towards removal of disconnect between demand and supply of skilled manpower. It is our intention to provide such training to the students so as to reduce the skill gap, between what is being taught at the institute level and what is required by the industry, to make the students more employable through skill development.

An MOU was signed with ITI Patiala to upgrade their Machine and Turner Shop with an aim to strengthen the practical skills of the



students to enhance their employability. Their workshops were completely renovated in terms of Civil, Mechanical, Safety and Visuals.

It is further intended to recommend changes in their syllabus as per emerging requirements, suggesting new trades as per demands of industry and arranging training for students and faculty in emerging technological development.

The workshop was inaugurated by the senior dignitaries from Technical Education Board, Govt. of Punjab on 12th Jan, 2018.

Providing Uniform to children at Deaf and Blind School

Keeping up with our tradition, winter school uniforms were distributed to children of Patiala school for Deaf and Blind.

Patiala School for the Deaf-blind is a special school for children with multiple disabilities. It was started in 1967 and has a chequered history of 45 years. What started on an experimental basis is now one of the premier Schools for providing special education to Deaf boys and girls in India.



Federal-Mogul sponsors one Family Home at SOS Children's Village, Rajpura

The problem of needy children in India is gigantic. There is need to establish SOS Children's Villages in every part of the country to reach out to more and more children who are in need of long-term care.



Construction of Shed at Circle Office of DSP Rural & Women Counselling Cell at Patiala

This Rural Circle Office is mainly visited by public from surrounding rustic areas. There was no arrangement for sitting of the suppliants. Federal-Mogul, under the Rural Development Project, took initiative to construct the shed for:-

- Holding counseling/ education sessions for the purpose of women empowerment.
- Counseling of women/children/affected families/senior citizen in case of domestic violence.
- Facilitating complainants from extreme weather conditions.



BENGALURU

We are in the process of setting up 2 Training Centres in the premises of Remand Home run by Govt. of Karnataka, wherein they keep orphaned youth. Government of Karnataka has allocated us 2 halls (one each in boys and girls hostel) to conduct certification course:



2-wheeler Engine Maintenance Course in Boys Hostel



FM visited Government Home

NOTICE

Notice is hereby given that the 63rd Annual General Meeting of the Company will be held on Thursday, 20th September, 2018 at 11:00 AM at Hotel Mapple Emerald, Crystal Hall, National Highway-8, Rajokri, New Delhi-110038 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 and Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Sunit Kapur (DIN: 03435110) who retires by rotation and being eligible, offers himself for re-appointment.
3. 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.

SPECIAL BUSINESS:

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

Ratification of Remuneration to Cost Auditor for the financial year 2018-19

“**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 2018-19, amounting to Rs. 4,50,000/- (Rupees four lakhs fifty 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.”

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

Re-Appointment of Dr. Khalid Iqbal Khan (DIN : 05253556) as Whole-time Director-Legal & Company Secretary, of the Company

“**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 thereunder, as amended upto date and any amendments or re-enactments thereto the approval of the Members be and is hereby accorded, 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 years w.e.f 22nd May 2018 to 21st May, 2021 on the following terms and conditions:

Base Salary	:	Salary in the scale of Rs. 24,30,000/- to Rs. 30,00,000/- per annum subject to review by the Board/Nomination & Remuneration Committee.
Perquisites	:	<ul style="list-style-type: none"> - HRA: 50% of the base salary p.a. - Special Allowance: In the scale of Rs. 19,12,560/- p.a. to Rs. 25,00,000/- p.a. subject to annual review by the Board/Nomination Remuneration Committee. - LTA: As per the rules of the Company from time to time; - Medical Reimbursement: As per the rules of the Company from time to time; - Bonus: Dr. Khalid will be entitled to annual MIP bonus subject to a maximum of Rs. 22,00,000/- p.a. - Car Allowance: As per Company's policy from time to time. - Petrol & Maintenance reimbursement: On the basis of actual expense. - Driver Reimbursement: As per Company's policy from time to time. - Provident Fund Contribution: 12% of Base Salary - Gratuity: 4.81% of Base salary.

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: 2136, Mir Bukhari Street,
Turkman Gate, Delhi-11000**

Date : 29th May 2018
Place : Gurugram