

**EAGLE 360 RECOGNIZED  
AMONGST TOP 10 INVENTIONS  
BY TIME MAGAZINE IN 2016**



**Golden Peacock Award  
For Excellence in Corporate  
Governance in 2016**



**GOODYEAR**

**Road Safety Award at the  
CSR Leadership Summit, 2017**



**ABRIDGED  
ANNUAL  
REPORT  
2016-17**

**GOODYEAR**

**ONE TEAM Driving Performance** - on the road,  
in the marketplace, and throughout the company.

# Taking Innovation To The Next Level

## EAGLE 360

A visionary tyre concept for future autonomous vehicles

Customization enabled by 3D printed tread-design based on location and driving habits.

The tyre is connected to the car by magnetic levitation.

Biomimicry-inspired sponge like groove design for optimal driving performance and aquaplaning resistance.

Active technology allows the tyre to move as needed, to reduce sliding from potential hazards.

Sensors register road conditions and adjusts the speed of the vehicle.

Through sensors, road and weather conditions are also communicated to other vehicles to enhance safety.

Tyres reposition to prepare for the road ahead, optimize wear and extend mileage.



**Eagle 360 has been recognized by TIME magazine as one of the 25 best inventions in the world in 2016.**



**ONE TEAM Driving Performance** - on the road, in the marketplace, and throughout the company.

# ABRIDGED ANNUAL REPORT 2016-17

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\*This Abridged Annual Report is published excluding Annexure E, as detailed in the Para 23 of the Directors' Report



# Message from the MD

At the outset, it gives me immense pleasure to inform our valued shareholders that your Company has more than doubled the dividend issued per share as compared to the dividend announced for the Financial Year 2008. This has been a result of your Company's focus on profitable growth. It has also been satisfying to witness a substantial growth in Market Capitalization growing from INR 1108 crores for Financial Year ending in March, 2016 to INR 1949 crores for Financial Year ending in March, 2017.

India is a young country where 60% of the population is below the age of fifty with its peculiar priorities. Dedicated to India's endeavors for economic growth and prosperity through agriculture and employment for the youth, your Company is geared up to make its own contributions.

The fact remains that 69% of India's population resides in the rural areas with a high dependence on agriculture. In keeping with India's priority in the farm sector, your Company aggressively participated in supplementing the tractor and agricultural equipment manufacturing activities by way of enhanced supply to the OE segment. The awards received by your Company from leading agri-companies like M&M, Escorts Agro Machinery and John Deere demonstrate the high trust and confidence that the end user customers have reposed in your Company. Our Sales & marketing teams continue with their efforts in the development of channel partners vis-à-vis customer preference and achieving greater brand salience for Goodyear.

The surging vehicle population in India brought in some major challenges which your Company has grabbed by intensifying its efforts in the passenger vehicle market coupled with equal thrust in the farm and commercial sectors to grow its bottom line. Reshuffling and refreshing its product portfolio by inducting new product range and phasing out outdated patterns, helped your Company gain greater strengths in the market. Introduction of fitments for Sports Utility Vehicles (SUV) has further strengthen your Company's market position.

To rejuvenate and revive your Company's faith in consumer centric marketing philosophy, your Company has been ardently working towards expanding and strengthening its distribution network. Setting up a number of exclusive Goodyear stores is a step in the right direction towards brand building and customer convenience and satisfaction.

In addition to innovations for excellence in the farm segment through introduction of new patterns in the rear and front farm tyres to meet the anticipated needs of the farming community, the year 2017 will witness considerable development work to match the changing requirements of the industrial segment and value addition to the growing patterns of demand to augment the green revolution in India.

Since it is not possible for any business organization to neglect the haulage and trucking segment, your Company is embarking upon the next innovation journey to introduce some new and modern product patterns to meet the needs of the rapidly growing haulage segment, thereby revitalizing our present portfolio. Your Company's focus on this high value haulage segment promises to maintain and enhance the value of the Goodyear brand.



I am also greatly pleased to share that your Company was honoured with the prestigious 'Golden Peacock Award for Excellence in Corporate Governance' for the year 2016 in the rubber sector. Since the Golden Peacock awards symbolize Corporate Excellence for an organization, the honour represents a high benchmark for Goodyear's commitment for a sustainable professional commitment towards higher Corporate Governance culture and philosophy.

As part of the Goodyear International Operation's interest to participate in the growing business opportunities in India's vibrant economy, I am most pleased to share that on his first ever visit to your Company's Ballabgarh plant, Mr. Richard J. Kramer, the Global Chairman, CEO and President of the Goodyear Tire & Rubber Company, evinced keen interest in the idea of strengthening and expanding business in India.

Goodyear, the world over is known as a safety minded company and safety is a value at Goodyear. Goodyear India is proud to have won the India CSR award for its CSR (Corporate Social Responsibility) initiative with the theme focused on 'Safer Roads, Safer You', under the Road Safety category. Road safety is an important issue facing the Indian public, particularly with vehicle population increasing in India by leaps and bounds. The award was presented at the CSR Leadership Summit organized with the aim of sensitizing the community towards road safety, thus saving human life through safer driving by operators.

Your Company's 'Safer Roads, Safer You' is a unique initiative that has made substantial contributions to road safety management by providing support to individuals, small, medium and large taxi fleet owners and aggregators in their efforts to strengthen the safety and efficiency of their cab services. Dedicated to road safety and inculcation of safety mindedness, your Company's training programme for the drivers provides training in areas such as passenger safety, passenger services, defensive driving, passenger vehicle maintenance and incident management. Your Company's CSR effort has been greatly appreciated by all involved in road usage particularly due to a surge in the number of road accidents.

Your company is very optimistic for a strong performance in 2017. The farm business is anticipated to continue with equally strong momentum with strong expectation of a sizable growth in the rural economy coupled with normal monsoon forecasted by weather experts. Your Company will work with a continued focus on Sales and Marketing excellence by strengthening its presence in the replacement market coupled with maintaining leadership in the OE segment of business. Generating sustainable revenues and profits through farm business, replacement and OE business will continue to be the top priorities.

In Consumer segment, your Company will continue its focus on driving distribution expansion, strengthening its presence in the branded retail stores and building brand salience through investments in brand building especially in the digital space.

Now that India is all set to implement tax reforms in terms of GST with the objective of integrating the country into a seamless nationwide market and take wrinkles out of the taxation system, your Company is all geared up to adopt the new tax regime for the overall benefit of our channel partners and consumers.

In conclusion, Goodyear India is entirely focused on growth and profits through availing of the market opportunities in industry, particularly in the tyre and rubber segment and position your Company most strategically in the new tax regime and business environment.

I thank our stake holders for their support, trust and confidence reposed in Goodyear's management.

Yours sincerely,

**Rajeev Anand**  
Vice Chairman & Managing Director  
Goodyear India Limited



# Board of Directors



## **CHRISTOPHER RAYMOND DELANEY (CHRIS DELANEY)** **Chairman**

Chris Delaney joined Goodyear India on January 1, 2016 and The Goodyear Tire & Rubber Company on August 24, 2015 and was named President of the company's Asia Pacific business unit effective January 1, 2016. Mr. Delaney joined Goodyear with more than 30 years of global leadership experience in Asia Pacific, North America, Europe and the Middle East.

He began his career at Procter & Gamble Co, where he worked in sales in both North America and Europe before moving to general management, first in the Eastern Europe, then in the Middle East and finally in North America. Mr. Delaney then spent seven years at the Campbell Soup Company, first leading international sales before becoming President, Emerging Markets and later President, Asia Pacific. In his last role before joining Goodyear, Mr. Delaney was the CEO at Goodman Fielder Ltd at the time the largest public food company in Australia and New Zealand. Mr. Delaney led the company until its sale to an Asian consortium in March 2015.

A native of New York, Mr. Delaney is a graduate of Trinity College in Hartford, Conn., where he earned his bachelor's degree in history. Mr. Delaney has been married to his wife Carmel for 30 years who together have raised their four children in seven countries.



## **RAJEEV ANAND** **Vice Chairman & Managing Director**

Mr. Rajeev Anand has been the Vice Chairman & Managing Director of Goodyear India Ltd. since 2009. Prior to his appointment as the whole time Director on the Board of Goodyear India, he held various leadership positions in Goodyear India and ASEAN countries.



## **R V GUPTA** **Director**

Mr. R V Gupta, a 1962 batch IAS officer, has served the Govt. of India at the levels of Special Secretary (Ministry of Finance), Secretary (Ministry of Food) and Addl. Secretary (Ministry of Chemicals & Fertilizers). Mr. Gupta has also acted as Principal Secretary to Govt. of MP. Mr. Gupta is former Dy. Governor of RBI and was closely involved in the economic reforms process. After retirement, Mr. Gupta acted as Chairman of the RBI Committee on Agriculture Credit. Mr. Gupta was also associated with Deutsche Bank as Chairman of local advisory board for India and also holds various other Board Level Positions in the industry.



## **C DASGUPTA** **Director**

Mr. C Dasgupta served as India's ambassador to China and to the European Union, among other posts, during his career in the Indian Foreign Service. Mr. Dasgupta is currently a member of the Prime Minister's Council on Climate Change and a member of the UN Committee on Economic, Social and Cultural Rights. He was awarded the Padma Bhushan by the President of India.





## **SUDHA RAVI**

### **Director**

Ms. Sudha Ravi is presently Executive Director, Piramal Fund Management Pvt Ltd. (PFMPL) and Piramal Finance Pvt. Ltd. Since October 2014, Ms Ravi is additionally in-charge of India Venture Advisors P Ltd – a healthcare and life sciences focused private equity fund sponsored by the Piramal Group. Prior to joining Piramal Group in 2011, Ms. Ravi was with State Bank of India for over 30 years. Working across varied functional areas at the Bank, including International, Corporate, Retail and Rural banking has given Ms. Ravi a wide-ranging perspective on the financial sector and business strategy. Ms. Ravi has held key positions as General Manager, Enterprise Risk Management facilitating alignment of risk with strategy at the Bank-wide level; Chief Representative, Washington DC, USA. Ms. Ravi has received recognition(s)/plaques presented by the Indian Associations in USA for outstanding contribution in the sphere of banking for the community in DC.

Ms. Ravi has keen interest in Special Education with focus on education for autistic children.



## **JAMES CONSTANTINE VENIZELOS**

### **Alternate Director to Mr Christopher Raymond**

Mr. Venizelos has a Bachelor of Arts degree in Political Science and a Juris Doctor degree. He has over 26 years of experience in advising businesses on legal issues. Formerly, Mr. Venizelos was General Counsel & VP of Business Development at Transtar Industries, Inc., an Associate with Dinsmore & Shohl and Law Clerk to the Honorable Don J. Young, US District Court. He presently serves as General Counsel, Asia Pacific for The Goodyear Tire & Rubber Company, Akron, Ohio, and is based in Shanghai, China.



## **LEOPOLDO ESTEFANO MAGGIOLO GONZALEZ**

### **Finance Director**

Mr. Leopoldo Estefano Maggiolo Gonzalez joined Goodyear India in August 2015 from The Goodyear Chile where he was Finance Director & Controller (Andean Cluster-Peru). Prior to Goodyear Group, Leopoldo was Chief accounting and Management information for Impresora y Commercial Publiciguas, Chile, Controller/ Finance Manager for Avery Dennison Chile S.A, Financial reporting Mercosur for Avery Dennison Argentina, General Accountant for Avery Dennison Chile S.A, Senior Consultant for Price Waterhouse Chile. Leopoldo holds Master degree in Business from Adolfo Ibanez University.

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## **PANKAJ GUPTA**

Head- Legal and Company Secretary, India & Legal Counsel (OE & OTR) Asia Pacific

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## **STATUTORY AUDITORS**

Price Waterhouse & Co Bangalore LLP (Firm Registration No. 007567S/ S-2000012)  
Chartered Accountants

## **COST AUDITORS**

Vijender Sharma & Co., Cost Accountants

## **SECRETARIAL AUDITORS**

VKC & Associates, Company Secretaries



# Directors' Report

Dear Members,

Your Directors are pleased to present the 56<sup>th</sup> Annual Report of the Company and the Company's Audited Financial Statements for the Financial Year ended March 31, 2017.

## 1. FINANCIAL SUMMARY

A brief summary of the audited financials of the Company for the Financial Year ended March 31, 2017 (12 months) is given below. The figures of the current Financial Year and previous Financial Year have been prepared in accordance with Indian Accounting Standards ('Ind AS'). The preceding Financial Year of the Company was changed from a January-December cycle to an April-March cycle in compliance with the provisions of the Companies Act, 2013, which prescribes a uniform Financial Year. Accordingly, the Financial Statements of the previous Financial Year were for 15 months i.e. effective from January 01, 2015 to March 31, 2016. Therefore, the figures of the current Financial Year ended March 31, 2017 are not comparable with the figures of the previous Financial Year ended March 31, 2016.

(Rs. in Lakhs)

Particulars	12 months ended March 31, 2017	15 months ended March 31, 2016
<b>Total Income</b>	<b>166,001</b>	<b>189,697</b>
Less: Total Expenditure	146,440	171,270
<b>Profit Before Tax</b>	<b>19,561</b>	<b>18,427</b>
Less: Income Tax Expense:		
Current Tax	7,033	6,826
Deferred Tax	(209)	(375)
<b>Profit before other comprehensive income</b>	<b>12,737</b>	<b>11,976</b>
Other comprehensive income for the year, net of tax	(109)	(10)
<b>Total comprehensive income for the year</b>	<b>12,628</b>	<b>11,966</b>

The Company is proud to share the key highlights of the Company's financial performance for the financial year ended March 31, 2017 (12 Months) as compared to the previous financial year ended March 31, 2016 (15 Months). The total income was Rs.166,001 lakhs as against Rs.189,767 lakhs in the previous year.

Profit before tax (PBT) was Rs.19,561 lakhs against Rs.18,427 lakhs in the previous year showing an increase of 6.15% and the total comprehensive income of the Company for the year stood at Rs.12,628 lakhs against Rs.11,966 lakhs in the previous year showing an increase of 5.53%.

## 2. DIVIDEND

Your Directors have recommended payment of dividend @ Rs. 12.50/- per equity share for the Financial Year 2016-17. The recommended dividend will absorb a sum of Rs. 2,883 lakhs and tax on dividend will be Rs. 587 lakhs.

## 3. OPERATIONS

The Company manufactures automotive bias tyres viz. farm tyres and commercial truck tyres at its Ballabgarh plant and also trades in "Goodyear" branded tyres [including radial passenger tyres (consumer)] manufactured by Goodyear South Asia Tyres Private Limited ('GSATPL'), Aurangabad. The other products which the Company markets and sells include tubes and flaps.

The sales performance during the Financial Year 2016-17 is as follows:

(Rs. in Lakhs)

Tyres	154,618
Flaps	151
Tubes	7,746

The Company has made considerable efforts to refresh product portfolio with the introduction of new product patterns, gradual phase out of outdated patterns and strengthened offerings in the Sports Utility Vehicle (SUV) segment. The business has been focused on working towards expanding distribution footprint and continues to invest in expanding its branded store format. Brand building is an area of focus for our business with significant efforts and investments especially in the Digital space to improve consumer experience and engagement.

## 4. AWARDS AND APPRECIATIONS

During the year under review, the Company is proud to announce that it has received several accolades and appreciations for its work including:

- "Golden Peacock Award" for 'Excellence in Corporate Governance' in rubber sector for the year 2016. The Golden Peacock awards are the pinnacle for an organization in Corporate Excellence and this honor showcases Goodyear's commitment towards having a sustainable and effective Corporate Governance system;
- "India CSR Awards – Recognizing CSR Innovation and Leadership 2017" under Road Safety' category;
- "Business Partner of the Year" from Mahindra & Mahindra Tractor;
- "Best Delivery Award" from Escorts Agro Machinery;
- "Supplier Excellence Award/ Annual Commodity Award" from Mahindra & Mahindra Tractor;
- "Best Supplier Award" from Tractors and Farm Equipment Limited;
- "Best Performer Award" from Escorts Agro Machinery; and
- "Achieving Excellence in recognition of Partner-level Performance" from John Deere.



## 5. FINANCE AND ACCOUNTS

During the Financial Year 2016-17, the capital expenditure incurred amounted to Rs. 4,174 lakhs. The interest and other finance cost during the Financial Year 2016-17 was Rs. 336 lakhs.

As of March 31, 2017, an amount of NIL matured deposits remained unclaimed.

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

## 6. FINANCIAL STATEMENTS (Full & Abridged)

In compliance of Regulation 36 of the SEBI (LODR), 2015, the Company shall circulate:

- (i) Soft copies of the full Annual Report containing its Balance Sheet, Statement of Profit & Loss and Directors' Report to all those shareholder(s) who have registered their email address(es) for the purpose.
- (ii) Hard copy of Abridged Annual Report containing the salient features of all the documents, as prescribed in Section 136 of the Companies Act, 2013 ("the Act") to the shareholder(s) who have not registered their email address(es); and
- (iii) Hard copies of full Annual Report to the shareholders, who request for the same.

The Board of Directors has decided to circulate the abridged Annual Report containing salient features of the Balance Sheet and Statement of Profit and Loss to the shareholders for the Financial Year 2016-17. Beginning April 1, 2016, the Company has for the first time adopted Ind AS with a transition date of January 1, 2015, but the format for abridged annual report is not yet notified by Ministry of Corporate Affairs. Therefore, in absence of the format notified in line with the Ind AS, the Company has prepared Abridged Annual Report (containing the salient features of all the documents) in line with the Full Annual Report as prepared under Ind AS.

A full version of the Annual Report including the complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto prepared as per the requirements set out in Schedule III to the Act and Indian Accounting Standards (Ind AS) will be available at the Company's website [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations section) and will also be made available to the shareholder(s) upon request.

## 7. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134(3)(c) OF THE COMPANIES ACT, 2013

Your Directors state that the annual accounts of the Company have been prepared in conformity, in all material respects, with the applicable accounting standards in India supported by reasonable and prudent judgments and statements so as to give a true and fair view of the state of affairs of the Company and of the results of the operations of the Company. Significant accounting policies followed are appearing in Note no.1 to the Notes of the financial statements.

The financial statements of the Company have been audited by Price Waterhouse & Co Bangalore LLP (ICAI Firm Registration No- 007567S/ S-200012). A reference may be made to their report dated May 26, 2017 to the members together with Annexures thereto containing information as per the requirements under the Companies (Auditor's Report) Order, 2016 and report on Internal Financial Controls over financial reporting, that is attached with these financial statements.

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the applicable laws for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The internal control system including internal financial controls of the Company is monitored by an independent Internal Audit Team, which encompasses examination/periodic reviews to ascertain adequacy of internal controls and compliance to the Company's policies. Weaknesses noted along with agreed upon action plans are shared with the Audit Committee, which ensures orderly and efficient conduct of the business and effectiveness of the system of internal control. Internal Auditors, Audit Committee members and Statutory Auditors have full and free access to all the information and records considered necessary to carry out the assigned responsibilities. The issues raised from time to time are suitably acted upon and followed up at different levels of management.

The annual accounts have been prepared on a going concern basis.

The Directors have laid down internal financial controls to be followed by the Company, through periodic checks and testing procedures, they monitor compliance to the internal financial controls to ascertain that they are adequate and operating effectively. The Directors have devised appropriate systems that are designed to ensure compliance with the provisions of all applicable laws and they monitor adequacy and operating effectiveness of the same periodically.

## 8. FUTURE OUTLOOK

The tractor industry showed strong recovery after two years of back to back de-growth due to failure of monsoon. This was supported by a strong focus of the Government on agriculture as reflected in the current budget together with an increasing trend towards mechanization (*Source: Crisil & ICRA*). Hence, the mid to long term outlook remains robust.

The Financial Year 2017-18 outlook seems positive with expectation of Rabi crop harvest to be at record levels as per second advance estimate by Ministry of Agriculture together with a favourable monsoon outlook given by the Indian Metrological Department ("IMD") (*Source: Ministry of Agriculture*). The Tractor industry is expected to post a growth of 6 -7% (*Source: ICRA*)

The passenger tyre industry is likely to register a modest growth in the year 2017-18. Driving distribution expansion, increasing the reach of branded retail stores and building brand salience through investments in brand building especially in the digital space will continue to be the key priorities in 2017-18.



## 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Company recognizes the importance of having a diverse Board in view of the current volatile business environment. The Company thus aims at an appropriate mix of executive, non-executive and independent Directors to maintain the independence of the Board and separate its functions of governance and management.

During the Financial Year 2016-17, Mr. James Constantine Venizelos (DIN: 07184802) ("Mr. Venizelos"), Alternate Director to Mr. Christopher Raymond Delaney (DIN: 07348894) ("Mr. Delaney") had vacated his office on May 27, 2016 upon the return of Mr. Delaney to India. Later, the Board in its meeting dated May 30, 2016 re-appointed Mr. Venizelos as Alternate Director to Mr. Delaney, effective from June 1, 2016. Consequent to the return of Mr. Delaney to India, Mr. Venizelos again vacated his office on August 30, 2016. However, Mr. Venizelos was again re-appointed as Alternate Director to Mr. Delaney in the Board Meeting dated on August 30, 2016, effective from September 1, 2016.

During the Financial Year 2016-17, Mr. Yashwant Singh Yadav, Director – HR & Corporate Affairs, (DIN: 03288600) has resigned effective close of business hours of February 8, 2017. The Board of Directors has placed on record its warm appreciation of the rich contribution made by Mr. Yashwant Singh Yadav and the leadership provided by him during his tenure as Director - HR & Corporate Affairs.

Further, the Board, post recommendations of the Nomination and Remuneration Committee and the Audit Committee of the Company, in its meeting held on February 8, 2017, appointed Mr. Leopoldo Estefano Maggiolo Gonzalez (DIN: 07318939) ("Mr. Leo"), acting in position of Chief Financial Officer, as Additional and Whole time Director of the Company, liable to retire by rotation, subject to the approval of the Members in the ensuing Annual General Meeting, for a period of three years, effective February 9, 2017. The Company has received the requisite notice in writing from the Member proposing the candidature of Mr. Leo as Director liable to retire by rotation in the forthcoming Annual General Meeting of the Company.

Mr. Christopher Raymond Delaney, Director of the Company, is retiring by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

The information relating to Mr. Leo's appointment and Mr. Delaney's re-appointment also appears under the head 'Other Informations', in the Corporate Governance Report.

During the Financial Year 2016-17, 4 (four) Board Meetings were held on May 30, 2016, August 30, 2016, November 15, 2016 and February 8, 2017 respectively. Details regarding attendance of Board Meeting by each of the Directors are given in the Corporate Governance Report forming part of this Directors' Report.

## 10. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS

As per Section 149(7) of the Companies Act, 2013, the Company has received declaration of independence from all the Independent Directors as on March 31, 2017.

## 11. INSIDER TRADING REGULATION

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations, 2015') on prevention of insider trading, the Company had instituted a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines, which advise Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances.

The Company has put in place the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulation, Monitoring and Prevention of Insider Trading' and the same is available at the Company's website [www.goodyear.co.in](http://www.goodyear.co.in) (in Investor Relations section).

## 12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

NIL

## 13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party transactions entered into by the Company were in the Ordinary course of Business and on Arms' Length basis. The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 in the prescribed Form AOC - 2 is annexed as 'Annexure A' to this Report.

## 14. ANNUAL RETURN

Pursuant to Section 92(3) of Companies Act, 2013 read with rules made thereunder, extract of Annual Return of the Company in the prescribed Form - MGT 9 is annexed as 'Annexure B' to this Report.

## 15. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

## 16. INTERNAL FINANCIAL CONTROLS

The Integrated Framework adopted by the Company, which is based on the applicable available guidance on Internal Financial Control, is adequate and effective.

## 17. RISK MANAGEMENT POLICY

The Company has embedded across all its functions a risk assessment and minimization procedure that is designed to ensure timely identification, reporting and mitigation of risk, if any. Apart from aforesaid, the Company has initiated ERM (Enterprise Risk Management) to minimize the adverse impact of risk by not only dwelling into risk management but also ensuring applicability of the global policies, understanding the current operating environment and developing the risk mitigation plans in relation to impact of the dynamic business scenario.

The Board of Directors of the Company periodically reviews the key issues of Company's operations and any element of risk therein. In the opinion of the Board there is no identified risk, which may threaten the operations of the Company.



## 18. STATUTORY AUDITORS' AND AUDITORS' REPORT

The retiring Statutory Auditors, Price Waterhouse & Co Bangalore LLP (ICAI Firm Registration No. 007567S/S-200012), Chartered Accountants, hold office as Statutory Auditors until the conclusion of this 56<sup>th</sup> Annual General Meeting.

In terms of Section 139 of the Act and other applicable provisions, if any, read with the Companies (Audit and Auditor) Rules, 2014, an audit firm, which has completed its term of two consecutive terms of five years each, shall not be eligible for re-appointment as Statutory Auditor in the same Company for next five years from the completion of previous term. In view of the above, Price Waterhouse & Co Bangalore LLP, Statutory Auditors of the Company, have completed their two terms of five consecutive years in the current Financial Year.

Accordingly, the Audit Committee and the Board of Directors of the Company recommends the appointment of Deloitte Haskins & Sells LLP (ICAI Firm Registration No.: 117366W/W-100018), Chartered Accountants, in place of Price Waterhouse & Co Bangalore LLP, Chartered Accountants. The appointment of Deloitte Haskins & Sells LLP, if made, shall be for a term of five consecutive years commencing from the Company's financial year 2017-18 to hold office from the conclusion of this 56<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 61<sup>st</sup> Annual General Meeting to be held in 2022. The remuneration of the Auditors would be fixed by the Board of Directors of the Company in consultation with the Auditors and with due recommendation of the Audit Committee of the Company.

In view of the above, the Company has received written Consent and a 'Eligibility Letter' from Deloitte Haskins & Sells LLP dated April 26, 2017 to the effect, inter-alia, that their appointment, if made, shall be in accordance with the limits specified under the provisions of Companies Act, 2013, that they meet the criteria of independence and that they are not disqualified for such appointment under provisions of applicable laws and rules framed thereunder.

There are no qualifications, reservations or adverse remarks and disclaimers made by Price Waterhouse & Co Bangalore LLP, the Statutory Auditors, in their Audit Report for the Financial Year under review.

The Company maintains its books of accounts and other papers in electronic mode and the Company is in process of maintaining the back-up of the same on a server located in India.

## 19. COST AUDITOR

M/s Vijender Sharma & Co., Cost Accountants, 11, 3<sup>rd</sup> Floor, Hargovind Enclave, Vikas Marg, New Delhi – 110092 were appointed as cost auditor for conducting the cost audit for the Financial Year 2016-17. The Cost Audit Report for the Financial Year 2015-16 was filed on September 27, 2016.

Pursuant to section 148 of the Companies Act, 2013 read with applicable rules of the act and the recommendation of Audit Committee of the Company, M/s Vijender Sharma & Co., Cost Accountants, were re-appointed by the Board of Directors as Cost Auditors for conducting the cost audit of the Company for the Financial Year 2017-18, subject to ratification of remuneration by the Members. The Company had received a

letter from them to the effect that their re-appointment would be within the limits prescribed under section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of section 141 of the Companies Act, 2013.

## 20. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board appointed M/s V K Chaudhary & Co, Practicing Company Secretary Firm (Now known as – M/s VKC & Associates, Company Secretaries) (UCN-P2017UP060600), having its office at C-140, Sector 51, Noida, U.P, as Secretarial Auditor to carry out the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report is annexed as 'Annexure C' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 21. BOARD EVALUATION

As per the provisions of Companies Act, 2013 and SEBI (LODR), 2015, the Nomination and Remuneration Committee devised the "Annual Evaluation Framework" for the Board, Committee(s) and individual Director(s) for the Financial Year 2016-17. Accordingly, an annual evaluation was carried out of the performance of the Board, its Committees and Individual Director(s) including Independent Directors during the year.

The details of Company's remuneration policy and performance evaluation of Board, are mentioned in the Corporate Governance Report (Annexure-D) forming part of this Director's Report.

## 22. CORPORATE GOVERNANCE REPORT INCLUDING MANAGEMENT AND DISCUSSION ANALYSIS REPORT

As per the applicable provisions of the SEBI (LODR), 2015, a detailed Corporate Governance Report together with the Auditors' Certificate on the compliance of conditions of Corporate Governance and a Management Discussion & Analysis Report forms part of the Annual Report and is annexed as 'Annexure D' to this Report.

The Corporate Governance Report forming part of this Report also covers the following:

### (a) Board Meetings

The particulars of Board Meetings held during the Financial Year 2016-17, including composition and category of Directors are mentioned under the head- 'Board of Directors'.

### (b) Disclosure regarding Audit Committee

Details regarding the role, composition and meetings of Audit Committee of the Company during the year are mentioned under the head- 'Audit Committee'.

### (c) Board Committees

Particulars of Committees of the Board, other than Audit Committee, including Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholder Relationship Committee are detailed under their respective separate headings.

Particulars of Committees of the Board inter-alia include details of their composition, changes in such composition, if any, and their meetings during the year.



(d) **Nomination and Remuneration Policy**

Details regarding Policy on Nomination and Remuneration of Director, Key Managerial Personnel and Senior Management are mentioned under the head- 'Nomination and Remuneration Committee (NRC)'.

(e) **Vigil Mechanism (including Whistle Blower Mechanism/ Policy)**

In terms of the SEBI (LODR), 2015, the Company has formulated its Vigil Mechanism (including Whistle Blower Mechanism/Policy), the details of which is mentioned under the head-'Disclosures'.

**23. HUMAN RESOURCES**

**Industrial Relations**

Industrial peace and harmony was maintained during the year through cordial and productive employee relations. The new Factory Union Committee was elected on November, 8, 2016 and took over the charge. Hiring of 62 Hourly Associates has been done. Capability building training was conducted on different topics like Safety, Shop Floor Management, basic IT skills and attitudinal training for Union transformation. The Company's Ballabgarh Plant received two Goodyear Global best practices awards and one regional award for improving energy efficiency. Total number of salaried and hourly associates as on March 31, 2017 stood at 924.

**Particulars of Employees (Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)**

Information in accordance with the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 regarding remuneration and other details is annexed as 'Annexure E' to this Report.

**24. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Corporate Social Responsibility ("CSR") Committee of the Company is duly constituted in accordance with the requirements of Section 135 of the Companies Act, 2013 read with rules made thereunder, as amended, to formulate and monitor the CSR policy of the Company.

The Company constantly strives to be a socially, ethically and environmentally responsible Company. The Company has successfully implemented Corporate Social Responsibility ("CSR") initiatives such as 'Safer Roads Safer You' – a driver training programme for fleet operators in collaboration with Institute of Road Traffic Education (IRTE). The initiative is a livelihood enhancement project with its main focus on driver education, road safety and traffic laws.

The Company is proud to announce that it has been awarded "India CSR Awards – Recognizing CSR Innovation and Leadership 2017" under 'Road Safety' category.

The Annual Report on CSR activities for the Financial Year 2016-17 is annexed as 'Annexure F' to this Report pursuant to Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014.

**25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars related to the conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as 'Annexure G' to this Report.

**26. DETAILS OF NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL IN TERMS OF SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has in place a policy on Prevention of Sexual Harassment in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. As per the said Policy, an Internal Complaint Committee (ICC) is in place to redress complaints received regarding sexual harassment. During the Financial Year 2016-17, following is the summary of complaints received and disposed of:

No. of complaints received: NIL

No. of complaints disposed of: N.A.

**27. OTHER INFORMATION**

**(a) Sweat Equity Shares, Employee Stock Option**

The Company has not issued any Sweat Equity Shares and had not provided any Stock Option Scheme to the employees during the period under review.

**(b) Details of significant and material orders passed by the regulators or courts or tribunals affecting the going concern status and Company's operations in future.**

None

**(c) Material Changes & Commitments**

There have been no material changes and commitments, which can affect the financial position of the Company between the end of the Financial Year and the date of this Report.

**28. ACKNOWLEDGEMENT**

Your Directors place on record their sincere thanks to the Company's esteemed shareholders, customers, suppliers, associates, bankers, the Municipality, the State Government and the Central Government etc. for their valuable contribution and continued support. Your Directors also wish to place on record their deep appreciation to The Goodyear Tire & Rubber Company, Akron, Ohio, USA and its subsidiaries for its continued support and contribution in all the spheres of operations.

The Company has been able to operate efficiently because of the continuous improvement and hard work put in by all functions as well as the efficient utilisation of the Company's resources, which has enabled the Company to continue to grow stronger.

On behalf of the Board of Directors

**Rajeev Anand**

(Vice Chairman &  
Managing Director)

May 26, 2017  
New Delhi

DIN: 02519876

**R V Gupta**

(Director)

DIN: 00017410



**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 read with section 188 of the Companies Act, 2013)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis – NONE**

Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
NONE							

**2. Details of material\* contracts or arrangements or transactions at Arm's length basis –**

S. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
1	Goodyear South Asia Tyres Private Limited ("GSATPL")  Mr. Rajeev Anand (Managing Director of the Company) is Director in GSATPL  Mr. Leopoldo Estefano Maggiolo Gonzalez (Finance Director of the Company) was also a Director in GSATPL till February 7, 2017.	The nature of transactions covered under the said Contract are as follows:  • Availing and providing of services inter-se between the Company and GSATPL  Purchase and sale inter-se • between the Company and GSATPL of different kinds of tyres, tubes and flaps, raw materials, spare parts, components, store items, moulds etc.	Ongoing	<ul style="list-style-type: none"> <li>The pricing of purchase, sale and provision of goods or services will be based on the Arms' Length Price for such transactions</li> <li>The pricing methodology is subject to be reviewed by the Audit Committee and/ or Board of Directors of the Company and GSATPL, based on independent study reports as may be available from time to time.</li> </ul> Value of transactions from April 1, 2016 to March 31, 2017 -Rs 31,827 lakhs	Approved by the Board on July 30, 2014	No Advance Payment

Note:- \*Material – Since the definition of Material is not defined / provided under Companies Act, 2013 read with rules made thereunder, an inference is being drawn from the explanation to Regulation 23(1) of the SEBI (LODR), 2015, i.e transaction with related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transaction(s) during a Financial Year, exceeds 10% of the Annual Consolidated Turnover of the Company as per the last audited Financial Statements of the Company.

On behalf of the Board of Directors

May 26, 2017  
New Delhi

**Rajeev Anand**  
(Vice Chairman &  
Managing Director)  
DIN: 02519876

**R V Gupta**  
(Director)  
DIN: 00017410



**FORM No. MGT-9**

Extract of Annual Return as on the Financial Year ended on March 31, 2017  
[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**

i	CIN	L25111HR1961PLC008578
ii	Registration Date	March 28, 1961*
iii	Name of the Company	Goodyear India Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
v	Address of the Registered office & contact details	Goodyear India Limited, Mathura Road, Ballabgarh, (Dist. Faridabad), Haryana-121 004 & Tel No.: +91-129-6611000 Email: <a href="mailto:goodyearindia_investorcell@goodyear.com">goodyearindia_investorcell@goodyear.com</a>
vi	Whether listed Company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited, D-153/A, 1st Floor, Okhla Industrial Area Phase-1, New Delhi-110 020 & Tel No.: +91-11-26812682 Email: <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a>

\*Registered and Incorporated as a Private Company on the October 10, 1922, and converted into a Public Company with a Fresh Certificate of Incorporation on March 28, 1961.

**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: -

Sl. No.	Name & Description of Main Products/Services	NIC Code of the Product /Service (2008)	% age to Total Turnover of the Company
1	Manufacturing of tyres, tubes and flaps	22111	67.20%
2	Trading of tyres tubes and flaps	46909	32.80%

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

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	%age of Shares held	Applicable Section
1	Goodyear Orient Company (Private) Limited	-	Holding	74%	2(46)



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

##### (i) Category-wise shareholding

Category of Shareholders	No. of Shares Held at the End of the Financial Year (March 31, 2016)				No. of Shares Held at the End of the Financial Year (March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
1. Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
2. Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	17069215	0	17069215	74	17069215	0	17069215	74	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>17069215</b>	<b>0</b>	<b>17069215</b>	<b>74</b>	<b>17069215</b>	<b>0</b>	<b>17069215</b>	<b>74</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>17069215</b>	<b>0</b>	<b>17069215</b>	<b>74</b>	<b>17069215</b>	<b>0</b>	<b>17069215</b>	<b>74</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
1. Institutions									
a) Mutual Funds	1736008	100	1736108	7.52654	1638435	100	1638535	7.10353	-0.42301
b) Banks/FI	11997	8016	20013	0.08676	8033	8016	16049	0.06958	-0.01718
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Government	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	3936	3936	0.01706	0	3936	3936	0.01706	0
g) FIIs	72579	200	72779	0.31552	34446	200	34646	0.1502	-0.16532
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>1820584</b>	<b>12252</b>	<b>1832836</b>	<b>7.94588</b>	<b>1680914</b>	<b>12252</b>	<b>1693166</b>	<b>7.34037</b>	<b>-0.60551</b>
2. Non Institutions									
a) Bodies corporates									
i) Indian	634275	9263	643538	2.78992	644930	9163	654093	2.83568	0.04576
ii) Overseas	216246	0	216246	0.93749	410035	0	410035	1.77762	0.84013
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	2101294	708330	2809624	12.18054	2056620	683035	2739655	11.8772	-0.30334
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	211484	0	211484	0.91684	201031	0	201031	0.87153	-0.04531
c) Others (specify)									
i) Trusts	6315	0	6315	0.02738	7315	0	7315	0.03171	0.00433
ii) Non-Resident Indians	141791	10130	151921	0.65862	154235	10130	164365	0.71257	0.05395
iii) Clearing Members	2392	0	2392	0.01037	21833	0	21833	0.09465	0.08428
iv) Hindu Undivided Families	122936	0	122936	0.53296	105799	0	105799	0.45867	-0.07429
<b>SUB TOTAL (B)(2):</b>	<b>3436733</b>	<b>727723</b>	<b>4164456</b>	<b>18.05412</b>	<b>3601798</b>	<b>702328</b>	<b>4304126</b>	<b>18.65963</b>	<b>0.60551</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>5257317</b>	<b>739975</b>	<b>5997292</b>	<b>26</b>	<b>5282712</b>	<b>714580</b>	<b>5997292</b>	<b>26</b>	<b>0</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>22326532</b>	<b>739975</b>	<b>23066507</b>	<b>100</b>	<b>22351927</b>	<b>714580</b>	<b>23066507</b>	<b>100</b>	<b>0</b>



(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the Beginning of the Financial Year (April 1, 2016)			Shareholding at the End of the Financial Year (March 31, 2017)			% Change in Shareholding During 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	
1	Goodyear Orient Company (Private) Limited	17069215	74.00000	0	17069215	74.00000	0	0.00000
	<b>Total</b>	<b>17069215</b>	<b>74.00000</b>	<b>0</b>	<b>17069215</b>	<b>74.00000</b>	<b>0</b>	<b>0.00000</b>

(iii) Change in the Promoter's Shareholding

Sr. No.	Shareholder's Name	Shareholding at the Beginning of the Financial Year (April 1, 2016)		Cumulative Shareholding During the Financial Year (March 31, 2017)	
		No. of Shares	% of Total Shares of the Company	No of shares	% of Total Shares of the Company
1	Goodyear Orient Company (Private) Limited				
	At the beginning of the Financial Year	17069215	74.0000	17069215	74.00000
	Date wise increase/decrease in Promoters Shareholding during the Financial year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	No Change			
	At the end of the Financial Year	17069215	74.00000	17069215	74.00000

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of Shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding Holding during the Period Between 01/04/2016 and 31/03/2017	
		No. of Shares At the Beginning of Year (01/04/2016) and End of the Financial Year (31/03/2017)	% age of the total shares of the Company				No. of Shares	% of the total shares of the Company
1	SBI Emerging Businesses Fund and SBI Magnum Balanced Fund*	1600000	6.94	07/10/2016	-273183	Sale	1326817	5.75
		1326817	5.75					
2	L and T Mutual Fund Trustee Ltd-L and T India Value Fund*	0	0	31/03/2017	166991	Purchase	166991	0.72
		166991	0.72					
3	Pinebridge Investments GF Mauritius Limited *	144659	0.63	Nil movement during the financial year				
		144659	0.63					
4	Goldman Sachs India Limited*	0	0	07/10/2016	123895	Purchase	123895	0.54
				10/02/2017	3376	Purchase	127271	0.55
				31/03/2017	13537	Purchase	140808	0.61
		140808	0.61					



(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) contd....

Sr. No.	Name of Shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding Holding during the Period Between 01/04/2016 and 31/03/2017	
		No. of Shares At the Beginning of Year (01/04/2016) and End of the Financial Year (31/03/2017)	% age of the total shares of the Company				No. of Shares	% of the total shares of the Company
5	Globe Capital Market Ltd*	136737	0.59	08/04/2016	375	Purchase	137112	0.59
				15/04/2016	496	Purchase	137608	0.6
				29/04/2016	5	Purchase	137613	0.6
				06/05/2016	125	Purchase	137738	0.6
				13/05/2016	-396	Sale	137342	0.6
				20/05/2016	-101	Sale	137241	0.59
				27/05/2016	151	Purchase	137392	0.6
				03/06/2016	-75	Sale	137317	0.6
				10/06/2016	-51	Sale	137266	0.6
				17/06/2016	25	Purchase	137291	0.6
				24/06/2016	20	Purchase	137311	0.6
				01/07/2016	-498	Sale	136813	0.59
				08/07/2016	358	Purchase	137171	0.59
				22/07/2016	-136000	Sale	1171	0.01
				29/07/2016	136000	Purchase	137171	0.59
				05/08/2016	69	Purchase	137240	0.59
				12/08/2016	135	Purchase	137375	0.6
				19/08/2016	24	Purchase	137399	0.6
				26/08/2016	620	Purchase	138019	0.6
				02/09/2016	1721	Purchase	139740	0.61
				09/09/2016	500	Purchase	140240	0.61
				16/09/2016	110	Purchase	140350	0.61
				23/09/2016	15	Purchase	140365	0.61
				30/09/2016	9	Purchase	140374	0.61
				07/10/2016	116	Purchase	140490	0.61
				14/10/2016	-45	Sale	140445	0.61
				21/10/2016	-164	Sale	140281	0.61
				28/10/2016	2149	Purchase	142430	0.62
				04/11/2016	511	Purchase	142941	0.62
				11/11/2016	6944	Purchase	149885	0.65
				18/11/2016	3042	Purchase	152927	0.66
				25/11/2016	3238	Purchase	156165	0.68
				02/12/2016	-975	Sale	155190	0.67
				09/12/2016	50	Purchase	155240	0.67
				23/12/2016	-3799	Sale	151441	0.66



(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) contd....

Sr. No.	Name of Shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding Holding during the Period Between 01/04/2016 and 31/03/2017	
		No. of Shares At the Beginning of Year (01/04/2016) and End of the Financial Year (31/03/2017)	% age of the total shares of the Company				No. of Shares	% of the total shares of the Company
				31/12/2016	208	Purchase	151649	0.66
				06/01/2017	-270	Sale	151379	0.66
				13/01/2017	-2590	Sale	148789	0.65
				20/01/2017	14	Purchase	148803	0.65
				03/02/2017	7513	Purchase	156316	0.68
				17/02/2017	1556	Purchase	157872	0.68
				24/02/2017	-435	Sale	157437	0.68
				03/03/2017	1034	Purchase	158471	0.69
				10/03/2017	5727	Purchase	164198	0.71
				17/03/2017	-10330	Sale	153868	0.67
				24/03/2017	-14460	Sale	139408	0.6
				31/03/2017	-115	Sale	139293	0.6
		139293	0.6					
6	Sundaram Mutual Fund A/C Sundaram Select Micro Cap Series I*	91008	0.39	Nil movement during the Financial Year				
		91008	0.39					
7	Ghanshyam Kalwani*	64799	0.28	Nil movement during the Financial Year				
		64799	0.28					
8	Gymkhana Partners L.P.#	0	0	06/01/2017	5193	Purchase	5193	0.02
				13/01/2017	47218	Purchase	52411	0.23
				03/03/2017	3809	Purchase	56220	0.24
				10/03/2017	3150	Purchase	59370	0.26
				17/03/2017	3090	Purchase	62460	0.27
		62460	0.27					
9	IDBIMF - Diversified Equity Fund Operative *	45000	0.2	23/09/2016	2977	Purchase	47977	0.21
		47977	0.21					
10	Kimi Business Investments Advisors LLP*	25427	0.11	13/05/2016	12701	Purchase	38128	0.17
				20/05/2016	808	Purchase	38936	0.17
				03/06/2016	143	Purchase	39079	0.17
				10/06/2016	3268	Purchase	42347	0.18
		42347	0.18					
11	Nomura Singapore Limited#	2271	0.01	09/12/2016	32175	Purchase	34446	0.15
		34446	0.15					
12	Vincent Trading Private Limited#	0	0	12/08/2016	2126	Purchase	2126	0.01

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) contd....

Sr. No.	Name of Shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding Holding during the Period Between 01/04/2016 and 31/03/2017	
		No. of Shares At the Beginning of Year (01/04/2016) and End of the Financial Year (31/03/2017)	% age of the total shares of the Company				No. of Shares	% of the total shares of the Company
				26/08/2016	491	Purchase	2617	0.01
				02/09/2016	5700	Purchase	8317	0.04
				09/09/2016	8287	Purchase	16604	0.07
				16/09/2016	2062	Purchase	18666	0.08
				23/09/2016	4000	Purchase	22666	0.1
				30/09/2016	3152	Purchase	25818	0.11
				07/10/2016	2365	Purchase	28183	0.12
				21/10/2016	1626	Purchase	29809	0.13
				03/02/2017	1000	Purchase	30809	0.13
		30809	0.13					
13	Dharam Chand Baheti*	31300	0.14	28/10/2016	-3245	Sale	28055	0.12
		28055	0.12					
14	Pinebridge India Equity Fund <sup>#</sup>	26000	0.11	Nil movement during the Financial Year				
		26000	0.11					
15	Pragya Mercantile Pvt Ltd <sup>@</sup>	54000	0.23	Nil movement during the Financial Year				
		54000	0.23					
16	Labrador Partners L.P <sup>@</sup>	32781	0.14	Nil movement during the Financial Year				
		32781	0.14					
17	Swiss Finance Corporation <sup>@</sup>	66308	0.29	Nil movement during the Financial Year				
		66308	0.29					

Note: The shareholding is consolidated based on the permanent Account Number (PAN) of the shareholders.

\* Top 10 shareholders on both April 1, 2016 and March 31, 2017

# Top 10 shareholder on March 31, 2017

@ Top 10 shareholders on April 1, 2016

(v) Shareholding of Directors and Key Managerial Personnel

NIL



## V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year (April 1, 2016)	NIL			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the Financial Year				
Additions				
Reduction				
Net Change				
Indebtedness at the end of the Financial Year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Rajeev Anand (Managing Director)	Yashwant Singh Yadav (Whole time Director, resigned w.e.f. February 8, 2017)	Leopoldo Estefano Maggiolo Gonzalez (Whole time Director, appointed w.e.f. February 9, 2017)#	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	39,536,027	19,104,385	4,069,617	62,710,029
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	450,047	711,412	886,279	2,047,738
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission as % of profit	0	0	0	0
5	Others, (PF, MSPF, Insurance and Provision for Gratuity and Leave Encashment)	4,477,356	1,204,462	4,310,114	9,991,932
	<b>Total (A)</b>	<b>44,463,430</b>	<b>21,020,259</b>	<b>9,266,010</b>	<b>74,749,699</b>
	<b>Ceiling as per the Act (10% of Net Profit)</b>	<b>2038.11 Lakhs</b>			

#Subject to the approval of the members in the ensuing Annual General Meeting



**B. Remuneration to Other Directors:**

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of the Director					Total Amount
		Christopher Raymond Delaney	James Constantine Venizelos	R V Gupta	C Dasgupta	Sudha Ravi	
1	<b>Independent Directors</b>						
	Fee for attending Board/Committee meeting	0	0	600,000	450,000	600,000	1,650,000
	Commission	0	0	0	0	0	0
	Others	0	0	0	0	0	0
	<b>Total (1)</b>	<b>0</b>	<b>0</b>	<b>600,000</b>	<b>450,000</b>	<b>600,000</b>	<b>1,650,000</b>
2	<b>Other Non Executive Directors</b>	0	0	0	0	0	0
	Fee for attending Board/Committee meeting.	0	0	0	0	0	0
	Commission	0	0	0	0	0	0
	Others	0	0	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B) = (1+2)</b>	<b>0</b>	<b>0</b>	<b>600,000</b>	<b>450,000</b>	<b>600,000</b>	<b>1,650,000</b>
	<b>Total Managerial Remuneration (A+B)</b>						<b>76,399,699</b>
	<b>Overall Ceiling as per the Act (10% Net Profit of A and 1% Net Profit of B)</b>						<b>2241.92 Lakhs</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

(Amount in Rs.)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	Chief Financial Officer	
			Pankaj Gupta	Leopoldo Estefano Maggiolo Gonzalez	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	Not Applicable	9,945,427	39,046,405	48,991,832
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		89,600	6,333,625	6,423,225
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		0	0	0
2	Stock option		0	0	0
3	Sweat Equity		0	0	0
4	Commission as % of profit		0	0	0
5	Others, Employers Pay (PF and TDS)		411,472	24,043,806	24,455,278
	<b>Total (A)</b>		<b>10,446,499</b>	<b>69,423,836</b>	<b>79,870,335</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES UNDER THE COMPANIES ACT, 2013**

None

On behalf of the Board of Directors

May 26, 2017  
New Delhi

**Rajeev Anand**  
(Vice Chairman & Managing Director)  
DIN: 02519876

**R V Gupta**  
(Director)  
DIN: 00017410



## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2016-17

*[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,  
**GOODYEAR INDIA LIMITED**  
CIN L25111HR1961PLC008578  
Registered Office Address:- Mathura Road Ballabgarh,  
Faridabad-121004, Haryana, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GOODYEAR 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 our 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, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2017 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of: -

- (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) The 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;
- (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, 2015;

- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; – **Not Applicable**
- (e) The Securities and exchange board of India (Share Based Employee Benefits) Regulations, 2014 – **Not Applicable**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008; – **Not Applicable**
- (g) 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;
- (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; – **Not Applicable**
- (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998; – **Not Applicable**
- (vi) The Company has identified following laws applicable specifically to the Company:
  - 1. The Industrial (Development and Regulation) Act, 1951;
  - 2. The Rubber Act, 1947;

We have also examined compliance with the applicable provisions of the following: -

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above.

**We further report that** the Board of Directors of the Company has been 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 and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, with due consent from the directors have been obtained 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.

**We further report that** there are adequate systems and process in the company commensurate with the size and operations of the company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company has no specific event/action having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, etc.

**For VKC & ASSOCIATES**  
(Company Secretaries)

CS Vineet Chaudhary  
Partner  
FCS No. 5327  
C P No. 4548

Date: May 26, 2017  
Place: Delhi

**Notes:**

1. This report is to be read with our letter of even date which is annexed as 'Annexure- A' and forms an integral part of this report.

2. Ministry of Corporate Affairs (MCA) portal reflects charge in favour of Bank of America NT & SA ("Bank"), vide Charge ID 90045013, dated 12/08/1981 amounting to INR 25,000,000/-. The Management has represented that all dues to Bank have been paid and the Company has taken adequate steps for satisfaction of this charge and the matter is pending with Registrar of Companies.
3. During the Financial Year 2015-16, the Company has created lien on the Fixed Deposits (5 in numbers amounting to INR 93,00,970/-) and in this regard Company has made the application for the condonation of delay with the Regional Directorate (RD), Northern Region and the authority has condoned the delay through its order passed on November 29, 2016.
4. The backup of the books of accounts and other papers maintained in electronic mode has been maintained by the company on server located outside India. As informed by the management, going with the implementation difficulties of the Rule 3 of Companies (Accounts) Rules, 2014, it has submitted the detailed representation with the appropriate authorities and subsequently on the recommendations of Company Law Committee constituted by the Ministry of Corporate Affairs, necessary amendment in the said Rule have also been proposed.

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**'Annexure - A'**

To,  
The Members,  
**GOODYEAR INDIA LIMITED**  
CIN L25111HR1961PLC008578  
Registered Office Address:- Mathura Road Ballabgarh,  
Faridabad-121004 Haryana, India.  
Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes 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 that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management 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 management. Our examination was limited to the verification of procedures 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.

**For VKC & ASSOCIATES**  
(Company Secretaries)

CS Vineet Chaudhary  
Partner  
FCS No. 5327  
C P No. 4548

Date: May 26, 2017  
Place: Delhi



## Report on Corporate Governance as on March 31, 2017

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE AND CODE OF CONDUCT

#### (a) Company's Philosophy on Code of Governance

Goodyear India Limited ("the Company") is a subsidiary of the Goodyear Orient Company (Private) Limited, Singapore ("GOCPL") effective November 29, 2011, which is a 100% subsidiary of The Goodyear Tire & Rubber Company, Akron ("GTRC") and hence, GTRC became the Ultimate Holding Company. The Company's Corporate Philosophy has been strengthened through a manual titled 'Goodyear Business Conduct Manual' for GTRC global operations. The Business Conduct Manual is designed to help associates understand Company's commitment to follow highest ethical and legal standards in doing business and to act with honesty, integrity and fairness to protect the business and Company's good name. The core elements, inter-alia, include to act with honesty, integrity and respect; attract, develop, motivate and retain the best team of associates; drive an efficient, aligned and effective organization; earn and build long

lasting relationships with customers, consumers, business partners and exceed their expectations; and create a sustainable business model that consistently delivers a strong return on investments.

#### (b) Code of Conduct

In terms of the requirement of Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations 2015 ["SEBI (LODR), 2015"] & Section 149(8) read with Schedule IV of the Companies Act, 2013 ("the Act"), the Board of Directors of the Company, in line with the Corporate Philosophy, laid down the Code of Conduct ("Code") for all Board Members and Senior Management of the Company. The Code is displayed at the Company's website [www.goodyear.co.in](http://www.goodyear.co.in) (in Investor Relations section). As required, a declaration duly signed by the Vice Chairman & Managing Director regarding affirmation of compliance with the Code of Conduct is attached as "Appendix-A".

### 2. BOARD OF DIRECTORS

(i) Composition and category of the Board of Directors of the Company as on March 31, 2017 is given below:

Name and Designation	Category (i.e. Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee Director)	Number of Board Meetings of the Company		*Number of other Boards in which he / she is a Director or Chairperson	**Number of other Board Committee(s) in which he / she is a Member or Chairperson	Attendance at the last AGM (held on August 31, 2016)
		Held during the Financial Year (2016-17)	Attended during the Financial Year (2016-17)			
Christopher Raymond Delaney Chairman and Director	Non-Executive	4	2	None	None	YES
James Constantine Venizelos*** (Alternate Director to Christopher Raymond Delaney, Chairman)	Non-Executive	None	None	None	None	NO
Rajeev Anand, Vice Chairman & Managing Director	Executive	4	4	None	None	YES
R V Gupta, Director	Independent Non-Executive	4	4	4	3 (including 1 as Chairman)	YES
C Dasgupta, Director	Independent Non-Executive	4	3	None	None	NO
Sudha Ravi, Director	Independent Non-Executive	4	4	1	1	YES
<b><u>Appointment of Director</u></b>						
Leopoldo Estefano Maggiolo Gonzalez, Whole time Director (appointed w.e.f February 09, 2017)	Executive	No Board Meeting was held post appointment		None	None	NO^
James Constantine Venizelos*** (Alternate Director to Christopher Raymond Delaney, Chairman)	Non-Executive	Not Applicable		Not Applicable	Not Applicable	NO
<b><u>Ceased to be Director</u></b>						
Yashwant Singh Yadav, Director- HR & Corporate Affairs (resigned w.e.f close of business hours of February 08, 2017)	Executive	4	3	None	None	YES
James Constantine Venizelos*** (Alternate Director to Christopher Raymond Delaney, Chairman)	Non-Executive	Not Applicable	Not Applicable	Not Applicable	Not Applicable	NO

\* Excluding interest in private limited companies, unlisted public companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

\*\* Includes Chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee only.

<sup>^</sup> Mr. Leopoldo had attended the last Annual General Meeting of the Company in the capacity of CFO

\*\*\* Mr. James Constantine Venizelos was appointed as an Alternate Director to Mr. Christopher Raymond Delaney w.e.f June 01, 2016. Mr. Venizelos vacated his office after return of Mr. Delaney on August 30, 2016, later, he was re-appointed as Alternate Director to Mr. Delaney again w.e.f September 01, 2016.



(ii) During the Financial Year 2016-17, the Board met 4 (Four) times on May 30, 2016, August 30, 2016, November 15, 2016 and February 8, 2017.

(iii) In terms of Point VII of Schedule IV of the Act, a separate meeting of the Independent Directors of the Company was held on November 15, 2016 to discuss the agenda item as prescribed under applicable laws. The meeting was attended by all the Independent Directors i.e. Mr. R V Gupta, Mr. C Dasgupta and Ms. Sudha Ravi.

Terms and Conditions of appointment of Independent Director(s) are available at the Company's website at [www.goodyear.co.in](http://www.goodyear.co.in) (in Investor Relations section).

(iv) In compliance of Regulation 46 (2) (i) of SEBI (LODR) 2015, Familiarization Programme as organized by the Company in terms of Regulation 25 (7) of SEBI (LODR), 2015 are appearing on the website of the Company (in investor relations section) at the web link <http://www.goodyear.co.in/about-us/investor-relations>.

### 3. AUDIT COMMITTEE

The duly constituted Audit Committee of the Company has the terms and roles as specified in Regulation 18 read with Part C of Schedule II of SEBI (LODR), 2015 and Section 177 of the Act. The role of the Audit Committee inter alia includes the following (i) Oversight of the Company's financial reporting process and disclosure of financial information (ii) Recommendation to the Board of appointment, remuneration etc. of Auditors (iii) Review of financial statement and Auditor's Report (iv) Discussion with statutory Auditors of the Company about their findings, observations, suggestions, scope of audit etc. (v) Review of internal control systems and accounting policies followed by the Company (vi) Review of the financial statements with the management before their submission to the Board for approval etc. In addition to the above, Audit Committee carries out all such other functions as provided under applicable laws and specified by the Board of Directors from time to time.

The current Audit Committee of the Company comprises of our Directors namely Mr. R V Gupta, Mr. C Dasgupta and Ms. Sudha Ravi (Independent Directors) and Mr. Rajeev Anand, Vice Chairman & Managing Director (Executive Director). The Members of the Audit Committee possess adequate financial / accounting expertise / exposure.

Mr. R V Gupta, an Independent Non-Executive Director is the Chairperson of the Audit Committee. The Company Secretary of the Company acts as the Secretary of the Audit Committee.

During the Financial Year 2016-17, 4 (Four) Audit Committee meetings were held on May 30, 2016, August 30, 2016, November 15, 2016 and February 8, 2017 respectively.

#### Attendance at Audit Committee Meetings:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. R V Gupta	4	4
Mr. C Dasgupta	4	3
Ms. Sudha Ravi	4	4
Mr. Rajeev Anand	4	4

### 4. NOMINATION AND REMUNERATION COMMITTEE (NRC)

As per Section 178 of the Act and rules made thereunder and Regulation 19 of the SEBI (LODR), 2015, the Company has a duly constituted Nomination and Remuneration Committee ("NRC"). The terms of reference of the NRC inter alia, includes the following: (i) Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning; (ii) Aligning key executive and Board remuneration with the long term interests of the Company and its Shareholders; (iii) Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board; (iv) Monitoring and reviewing Board Evaluation framework; (v) Direct access to the officers and advisors, both external and internal, and to have authority to seek external independent professional advice, as it may need from time to time, for the effective implementation of its responsibilities. In addition to the above, NRC will carry out all such other functions as provided under applicable laws and specified by the Board of Directors from time to time.

The current NRC of the Company comprises of three Directors, namely, Ms. Sudha Ravi & Mr. R V Gupta (Independent Directors) and Mr. Christopher Raymond Delaney, (Non-Executive Director).

Ms. Sudha Ravi, an Independent Non-Executive Director is the Chairperson of the Committee. The Company Secretary of the Company acts as the Secretary of the Committee.

During the Financial Year 2016-17, 2 (two) NRC meetings were held on May 30, 2016 and February 8, 2017 respectively.

#### Attendance at Nomination and Remuneration Committee:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Ms. Sudha Ravi	2	2
Mr. R V Gupta	2	2
Mr. Christopher Raymond Delaney	2	1

#### Nomination and Remuneration Policy

In accordance with the provisions of Section 178(3) of the Act and Regulation 19 of SEBI (LODR), 2015, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company ("NRC Policy"). Some of the indicators for appointment of Directors, Key Managerial Personnel and Senior Management includes criteria for determining



qualifications (educational, expertise etc.), positive attributes (personal qualities & characteristics, reputation etc.) and independence of a Director as well as a policy on Board Diversity.

The remuneration policy for the Whole time Director/ Managing Director, Key Managerial Personnel and Senior Management of the Company is based on the broad principles of remuneration i.e. a portion of remuneration is paid on a fixed basis and the remaining portion of the remuneration is variable which is linked with the financial performance of the Company.

#### Performance Evaluation of Board, its Committees and Individual Directors

The Board in consultation with NRC annually evaluates the performance of the Board of Directors (including Committees thereof) as a whole and of individual Directors, including Independent Directors. As an evaluation methodology, the Board in consultation with NRC devised a questionnaire based “Annual Evaluation Framework” for the Board, its Committees and of individual Director for the year ended March 31, 2017

(“the framework”) in terms of SEBI Guidance Note dated January 5, 2017 and other applicable laws.

Some of the criteria based on which evaluation is carried out in the framework are as follows:

- (i) For Board and Committee(s): Understanding of roles and responsibilities, composition and structure, appropriateness of meetings, contribution, effective communication with stakeholders etc. and;
- (ii) For the Individual Directors (including Independent Directors): Personal qualities, characteristics, substantial business/ professional experience, experience and stature, ability and willingness to devote time etc.

Feedback was sought from each Director in the said questionnaire based framework and thereafter, a summary of such performance evaluation, compiled by the Company Secretary, was reviewed and noted by the Board.

#### 5. REMUNERATION OF DIRECTORS

The details of remuneration paid to all the Directors are as under:

(Rs. in Lakhs)

S. No.	Details	Rajeev Anand Vice Chairman & Managing Director	Yashwant Singh Yadav Whole time Director (resigned w.e.f February 8, 2017)	Leopoldo Estefano Maggiolo Gonzalez Whole time Director (appointed w.e.f February 9, 2017)#
	Service Contract Valid Up to (Terminable by giving 90 days’ notice from either side)	February 19, 2019	February 8, 2017	February 8, 2020
	<u>Period</u>	April 1, 2016 to March 31, 2017	April 1, 2016 to February 8, 2017	February 9, 2017 to March 31, 2017
1.	Salary and Perquisites	192.70	124.93	49.56
2.	Others Payment including Performance Bonus^	251.93	85.28	43.10

<sup>\*</sup>This includes stock-based awards i.e. restricted stock units and stock appreciation rights under approved Performance Plan of GTRC

<sup>#</sup> Subject to the approval of the members in the ensuing Annual General Meeting

**Note:** No severance fee is payable to any Director

Benefits: The benefits extended to each of the Whole time Directors, inter-alia, include the following:

Personal Accident Insurance (premium not to exceed Rs 0.05 lakhs per annum), a Club fee (fee of one club), Medical Reimbursement for self and family (subject to a ceiling of four months’ basic salary for each completed year of service or twelve months’ basic salary over a period of three completed years of service), Medical Insurance (as per the rules applicable for other senior management staff of the Company), the Company’s car and telephone at residence (personal long distance calls on telephone and use of car for private purpose shall be billed by the Company), Leased Accommodation or House Rent Allowance (restricted to 60% of the basic salary). Accordingly, Mr. Yashwant Singh Yadav was entitled

for Personal Driver Salary Reimbursement not exceeding Rs 2.75 lakhs in a year paid as monthly miscellaneous allowance. Mr. Rajeev Anand is entitled for Reimbursement of Personal Driver Salary and Reimbursement of running and maintenance of personal car not exceeding Rs 3.50 lakhs in a year paid as monthly miscellaneous allowance. Moreover, in case of Mr. Anand, the entitlement on expenditure on gas, electricity, water and furnishing etc. shall be paid as monthly miscellaneous allowance subject to a ceiling of Rs. 5 lakhs in a year. In case of Mr. Yadav, the entitlement on expenditure on gas, electricity, water and furnishing etc. shall be paid as monthly miscellaneous allowance subject to the ceiling of Rs. 3.60 lakhs in a year.

Contribution to Provident Fund & Superannuation Fund in case of Mr. Anand and Contribution to Provident Fund in the case of Mr. Yashwant Singh Yadav (as per the applicable laws), Recreation/holiday trip ("Holiday Trip") once in a year for self and family (in accordance with the rules of the Company). In the case of Mr. Anand, Holiday Trip up to Rs. 2.50 lakhs in a year or Rs. 5 lakhs in a block of two years and in case of Mr. Yadav, Holiday Trip up to Rs. 2.50 lakhs in a year or Rs. 5 lakhs in a block of two years.

However, Mr. Leo shall be entitled to perquisites of Rs 85 lakhs and shall also be entitled to reimbursement expenses actually incurred by him for the business of the Company and such reimbursement shall not form part of his remuneration. Subject to compliance of applicable laws and subject to the limits prescribed in Section I of Part II of Schedule V to the Companies Act, 2013, the Board may revise and vary the terms of remuneration of (including the remuneration structure, categories / elements) payable to Mr. Leo, provided that the aggregate yearly remuneration (inclusive of salary, perquisites and others) payable to Mr. Leo shall not exceed Rs. 8 crores at any time during the tenure of his engagement with the Company as a Whole time Director of the Company in accordance with this Agreement. The said limit is subject to the member's approval in the ensuing AGM.

Gratuity as per applicable laws and rules of the Company and encashment of leave as per the rules of the Company. The remuneration paid during the Financial Year 2016-17, is within the limits specified in Schedule V of the Companies Act, 2013 (as amended) and has due approval from the Board of Directors of the Company. A reference, to remuneration paid to the Directors and key managerial personnel under Note No. 27 of the notes to the financial statements of the Company for the year ended March 31, 2017 can also be made for the remuneration details.

There is no Stock Option Scheme of the Company for any Director (Executive/ Non- Executive).

The Independent Non-Executive Directors are paid a sitting fee of Rs. 50,000/- per meeting (Board/Committee) (service tax paid extra) for attending the Board/Committees meetings as well as the travelling/conveyance expenses and reimbursement of expenses, if any, incurred for participating/ attending the Company's meetings.

There has been no pecuniary relationship or business transaction by the Company with any Non-Executive Directors except as above.

As per Section 149(7) of the Companies Act, 2013, the Company has received declaration of independence from all the Independent Directors as on March 31, 2017.

Non-Executive Directors of the Company do not hold any shares in the Company.

#### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

In compliance of Section 178 of the Act and rules made thereunder and Regulation 20 of SEBI (LODR), 2015 (earlier Clause 49 (VIII)(E)(4) of the revised Listing agreement) the Company has a duly constituted a Stakeholders' Relationship Committee (SRC). A "Stakeholder Relationship Committee

(SRC) Constitution Charter" was duly adopted by the Company on February 5, 2016. The Charter elaborates in detail the constitution, manner of meetings and roles and responsibilities of the SRC.

The SRC of the Company comprised of Mr. C Dasgupta, Mr. R V Gupta and Ms. Sudha Ravi, (Independent Directors) and Mr. Yashwant Singh Yadav, Director - HR & Corporate Affairs (Executive Director). But during the year, Mr. Yashwant Singh Yadav resigned from the Directorship of the Company effective February 8, 2017 and Mr. Leopoldo Estefano Maggiolo Gonzalez was appointed as Additional and Whole time Director of the Company effective February 9, 2017.

Consequent to the aforesaid change in the composition of Directors of the Company, the current SRC comprises of the following Directors:

Mr. C Dasgupta as Chairperson;  
Mr. R V Gupta as Member;  
Ms. Sudha Ravi as Member; and  
Mr. Leopoldo Estefano Maggiolo Gonzalez as Member

The Company Secretary of the Company acts as the Secretary of the Committee.

During the Financial Year 2016-17, 1 (One) meeting of the SRC was held on August 31, 2016.

#### Attendance at Stakeholders' Relationship Committee (SRC) Meetings:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. C Dasgupta	1	0
Mr. R V Gupta	1	1
Ms. Sudha Ravi	1	1
Mr. Leopoldo Estefano Maggiolo Gonzalez (appointed w.e.f February 9, 2017)	No meeting held after his appointment	
Ceased to be member		
Mr.Yashwant Singh Yadav	1	0

Skyline Financial Services Private Limited, New Delhi, is the Registrar & Share Transfer Agent of the Company. Mr. Pankaj Gupta, Company Secretary, is the Compliance Officer of the Company.

#### Complaints Redressal Status

During the Financial Year 2016-17, two complaints were received and all of which have duly been resolved to the satisfaction of the shareholders. There were no pending complaints as of March 31, 2017.

#### 7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has a duly constituted Corporate Social Responsibility ("CSR") Committee as per the requirement of Section 135 of the Companies Act 2013.

The CSR Committee of the Company comprised of three Directors namely Mr. Rajeev Anand, Vice Chairman &



Managing Director, Mr. Yashwant Singh Yadav, Director – HR & Corporate Affairs and Mr. C Dasgupta, an Independent Director. But during the year, Mr. Yashwant Singh Yadav resigned from the Directorship of the Company effective February 8, 2017 and Mr. Leopoldo Estefano Maggiolo Gonzalez was appointed as additional and Whole time Director of the Company effective February 9, 2017.

Consequent to the aforesaid change in composition of Directors of the Company, the current CSR Committee comprises of the following Directors: -

Mr. Rajeev Anand as Chairperson;  
Mr. C Dasgupta as Member; and  
Mr. Leopoldo Estefano Maggiolo Gonzalez as Member.

The Company Secretary of the Company acts as the Secretary of the Committee.

During the Financial Year 2016-17, 2 (Two) CSR Committee Meetings were held on May 30, 2016 and September 14, 2016 respectively.

Attendance at CSR Committee Meeting(s):

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Rajeev Anand	2	2
Mr. C Dasgupta	2	2
Mr. Leopoldo Estefano Maggiolo Gonzalez (appointed w.e.f February 9, 2017)	No meeting held after his appointment	
Ceased to be member		
Mr. Yashwant Singh Yadav	2	2

The CSR Committee has adopted a policy with the objective to increasingly contribute to activities that are beneficial to the society and community at large, chart out a mechanism for undertaking CSR Activities, engage with the Company's key stakeholders in matters related to CSR Activities and align/sync the activities undertaken by the Company with the applicable laws. The CSR policy of the Company is available on our website, [www.goodyear.co.in](http://www.goodyear.co.in) (in Investor Relations Section).

## 8. GENERAL BODY MEETINGS

- (a) Locations and times where the last three Annual General Meetings ("AGM") were held are as under:

Meeting	Venue	Date	Time
55 <sup>th</sup> AGM	Vibe by the Lalit, 12/7 Mathura Road, Faridabad – 121003, Delhi NCR, Haryana, India	August 31, 2016	11:30 A.M.
54 <sup>th</sup> AGM	Magpie Tourism Complex Sector-16A, Faridabad-121002, Haryana	June 26, 2015	11:30 A.M.

53 <sup>rd</sup> AGM	Magpie Tourism Complex Sector-16A, Faridabad-121002, Haryana	May 15, 2014	12.00 P.M
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- (b) Special Resolution passed at the last three Annual General Meetings:

Date of AGM	Description of Special Resolution(s)
August 31, 2016	<p>(i) To appoint Mr. Yashwant Singh Yadav (DIN: 03288600) as a Whole time Director of the Company and approve the remuneration effective November 01, 2015</p> <p>(ii) To approve the revised remuneration of Mr. Yashwant Singh Yadav (DIN: 03288600) effective May 01, 2016</p> <p>(iii) To approve the revised remuneration of Mr. Rajeev Anand (DIN: 02519876) effective May 01, 2016.</p>
June 26, 2015	<p>(i) Special Resolution for the approval of the Off-Take Agreement ("Contract") with M/s Goodyear South Asia Tyres Private Limited, and the transactions undertaken thereunder on and from October 1, 2014 onwards.</p>
May 15, 2014	<p>(i) Revision in remuneration of Mr. Rajeev Anand, Vice Chairman &amp; Managing Director of the Company with effect from May 1, 2013.</p> <p>(ii) Revision in remuneration of Mr. Yashwant Singh Yadav, Director – HR &amp; Corporate Affairs of the Company with effect from May 1, 2013.</p> <p>(iii) Re-appointment of Mr. Rajeev Anand as Vice Chairman &amp; Managing Director of the Company with effect from February 20, 2014.</p> <p>(iv) Revision in remuneration of Mr. Rajeev Anand as Vice Chairman &amp; Managing Director of the Company with effect from February 20, 2014.</p> <p>(v) Post facto approval in terms of Central Government approval for availing and providing of services, i.e., sharing of employees, infrastructure, third parties services and charges for mixing and conversion of raw material into compound rubber from/ to Goodyear South Asia Tyres Private Limited.</p> <p>(iv) Post facto approval in terms of Central Government approval for purchase of all kinds of tyres, tubes and flaps, raw materials, spare parts, components, store items, moulds and movable machineries by Goodyear India Limited from Goodyear South Asia Tyres Private Limited.</p>



## 9. MEANS OF COMMUNICATION

The Company provides unaudited as well as audited financial results to the stock exchanges immediately after being approved by the Board. The quarterly, half yearly and annual results of the Company are published in one English daily newspaper (The Financial Express) and one Hindi newspaper (Jan Satta).

The Company's shareholding pattern, financial results, Code of Conduct, AGM Notice, Annual Reports, details of unclaimed dividends under the head - Investor Education Protection Fund ("IEPF"), Corporate Governance Reports, Corporate Social Responsibility Policy, Details of familiarization programmes for Independent Directors, Vigil Mechanism (including Whistle Blower Mechanism / Policy), Terms and Conditions for appointment of an Independent Director, Policy on Dealing with Related Party Transactions, Investor Contact details etc. and other information as required under applicable provisions of the Companies Act, 2013 read with rules made thereunder and SEBI (LODR), 2015 including Regulation 46(2)(n) are being displayed at Company's website [www.goodyear.co.in](http://www.goodyear.co.in) (in Investor Relations section).

No presentations were made by the Company to the analysts or to the institutional investors.

## 10. GENERAL SHAREHOLDERS INFORMATION

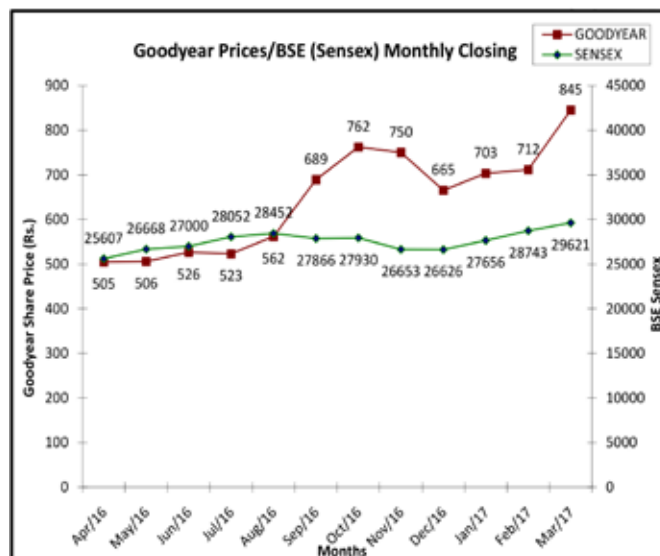
(a)	(i)	AGM: Date, Time and Venue	August 9, 2017 at 11:30 A.M., Vibe by the Lalit, 12/7 Mathura Road, Faridabad – 121003, Delhi NCR, Haryana, India
	(ii)	Financial Year	April 01 to March 31
	(iii)	Date of Book Closure	August 3, 2017 to August 9, 2017 (both days inclusive)
	(iv)	Dividend Payment Date	On or after August 9, 2017 but within the statutory time limit of 30 days from the date of AGM.
	(v)	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejee bhoy Tower, Dalal Street, Mumbai-400 001. It is hereby confirmed that Listing fees up to Financial Year 2017-18 has been paid
	(vi)	Stock Code	BSE- 500168

### (b) Market Price Data: High, Low on BSE during each month in the last Financial Year 2016-17

	Price per equity share of the face value of Rs.10/- each			Price per equity share of the face value of Rs.10/- each	
MONTH	HIGH	LOW	MONTH	HIGH	LOW
APRIL	532.00	480.00	OCTOBER	921.00	700.00
MAY	562.25	490.00	NOVEMBER	825.00	641.00
JUNE	549.00	499.00	DECEMBER	759.00	631.60
JULY	539.50	520.00	JANUARY	760.95	664.95
AUGUST	574.95	518.00	FEBRUARY	755.00	697.00
SEPTEMBER	728.00	557.00	MARCH	850.00	699.00

### (c) Performance of Goodyear India Limited ("GIL") share prices in comparison to BSE sensex

(Monthly Closing)



### (d) Registrar & Share Transfer Agent:

Skyline Financial Services Private Limited,  
D-153/A, 1<sup>st</sup> Floor, Okhla Industrial Area Phase-1,  
New Delhi – 110 020.  
Email: [admin@skylinert.com](mailto:admin@skylinert.com)  
Phone: +9111-26812682, 83  
+9111- 64732681

### (e) Share Transfer System

Skyline Financial Services Private Limited, Registrar & Share Transfer Agent ("RTA") of the Company looks after share transfer, transmission, transposition, dematerialization and re-materialization of shares, issue of duplicate share certificates, split and consolidation of shares etc. on regular basis in compliance of various provisions of the laws, as applicable.

### (f) Distribution of Shareholding as on March 31, 2017

No. of Shares held	Folios		Shares held	
	Numbers	Percentage	Numbers	Percentage
up to 500	31242	96.69	1765667	7.65
501 - 1000	620	1.92	458774	1.99
1001 - 5000	375	1.16	791803	3.43
5001 - 10000	35	0.11	243887	1.06
10001 and above	40	0.12	19806376	85.87
<b>TOTAL</b>	<b>32312</b>	<b>100.00</b>	<b>23066507</b>	<b>100.00</b>



• Shareholding Pattern as on March 31, 2017

Sl. No.	Description of Investors	Shares held	
		Number	Percentage
1.	Promoters	17069215	74.00
2.	Financial Institutions, Insurance Companies Bank and Mutual Fund etc.	1658520	7.19
3.	Foreign Institutional Investor	34646	0.15
4.	Private Corporate Bodies	1064128	4.61
5.	NRIs/ OCBs	164365	0.71
6.	Indian Public, Trust, HUF & clearing members	3075633	13.33
<b>TOTAL</b>		<b>23066507</b>	<b>100.00</b>

(g) Dematerialization of shares and liquidity:

As on March 31, 2017, total 23066507 equity shares of face value of Rupees 10 each are listed at BSE. As on March 31, 2017, 96.90% of the Company's total Share Capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

(h) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs / Warrants or any convertible instruments.

(i) Commodity price risk or foreign exchange risk and hedging activities:

None

(j) Plant location

Mathura Road, Ballabgarh,  
(Dist. Faridabad) – 121 004.  
Haryana

(k) Corporate Office/  
Address of  
Correspondence

1<sup>st</sup> Floor, ABW Elegance Tower,  
Plot No. 8, Commercial Centre  
Jasola, New Delhi – 110025.

Investors' Correspondence: Skyline Financial Services Private Limited,  
D -153/A, 1st floor, Okhla industrial Area  
Phase -I, New Delhi -110 020 &  
Tel No.: +91-11-26812682

Website [www.goodyear.co.in](http://www.goodyear.co.in)

E-mail ID [goodyearindia\\_investorcell@goodyear.com](mailto:goodyearindia_investorcell@goodyear.com)

(l) Investor Education Protection Fund ("IEPF")

In compliance with the Ministry of Corporate Affairs ("MCA"), notification dated May 10, 2012 related to IEPF where MCA had notified rules for the uploading of information regarding unpaid and unclaimed amounts lying with the companies. The Company had furnished the information to MCA and uploaded the information on the Company's website ([www.goodyear.co.in](http://www.goodyear.co.in)) as well as on the IEPF website ([www.iepf.gov.in](http://www.iepf.gov.in)).

Members of the Company are informed that pursuant to the applicable provisions of the Companies Act, the dividends that remain unpaid & unclaimed for a period of 7 (seven) years from the date of transfer to the unpaid & unclaimed dividend account were required to be transferred to the Investor

Education & Protection Fund (IEPF) constituted by the Central Government. The status of the unpaid & unclaimed dividend is as follows:

Financial Year	Date of Declaration of dividend	Date of Transfer/ Due Date of transfer of dividend to IEPF
2008	June 19, 2009	August 16, 2016
2009	June 04, 2010	July 09, 2017
2010	June 21, 2011	July 27, 2018

The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from September 7, 2016 ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the Members on such shares during the last seven years to the designated Suspense Account as prescribed by the IEPF Authority ('Authority').

As per the requirement of Rule 6 of the IEPF Rules 2016, the Company had sent information to all the Members who had not claimed/encashed dividends in the last seven years intimating, amongst other things, the requirements of the IEPF Rules, 2016 with regard to transfer of shares and that in the event those Members do not claim any unclaimed/unpaid dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF Suspense Account by the due date prescribed as per the IEPF Rules, 2016.

Further, the MCA had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 on February 28, 2017 ('IEPF Rules 2017'), substituting, amongst other things, Rule 6 of IEPF Rules, 2016 and providing that where the period of seven years provided under the sub section (5) of Section 124 of the Companies Act, 2013 has been completed or being completed during the period from September 7, 2016 to May 31, 2017, the due date of transfer of such shares will be May 31, 2017. Accordingly, the Company had given intimation in the manner prescribed under Rule 6 of the IEPF Rules, 2016; and to all other Members who have not encashed any unpaid/unclaimed dividends and where the period of seven years has been completed or being completed during the period from September 7, 2016 to May 31, 2017. In such cases where valid claim is not received by May 31, 2017, the respective shares are required to be credited to the designated DEMAT Account of the Authority in a manner as may be prescribed by the Authority.

Accordingly, the Company also simultaneously published notice in the leading newspaper in English and regional language having wide circulation on November 19, 2016, December 16, 2016 and April 8, 2017 and uploaded the same on the website of the Company at [www.goodyear.co.in](http://www.goodyear.co.in) (Investor Relations section).



Members who have not encashed their dividend warrant(s) are requested in their own interest to write to the Company / Registrar and Share Transfer Agent immediately claiming the Dividend(s) declared by the Company pertaining to the financial years 2009 to 2016. Kindly note that the once the amount/ shares is transferred to the IEPF, no claims shall lie against the Company.

**(m) Goodyear India Limited - Unclaimed Suspense Account ("Unclaimed Suspense Account")**

The details of equity shares ("shares") held in an Unclaimed Suspense Account are as follows:

S. No.	Particulars	Details
1.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the Financial Year 2016-17 (i.e. April 01, 2016)	<ul style="list-style-type: none"> <li>• Aggregate number of shareholders – 2662</li> <li>• Number of outstanding shares – 67475 shares</li> </ul>
2.	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the Financial Year 2016-17	<ul style="list-style-type: none"> <li>• 11</li> </ul>
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the Financial Year 2016-17	<ul style="list-style-type: none"> <li>• 11</li> </ul>
4.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the Financial Year 2016-17	<ul style="list-style-type: none"> <li>• Aggregate number of shareholders - 2651</li> <li>• Number of outstanding shares 67267 shares</li> </ul>

Note: Voting rights on the abovementioned equity shares would remain frozen till the owner of such equity shares claims the shares.

## 11. DISCLOSURES

**(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

In compliance of applicable laws, the Company has formulated a policy on materiality and dealing with related party transactions and details of the policy is available on the website of the Company at [https://www.goodyear.co.in/wp-content/uploads/Goodyear-India-Limited\\_Policy-on-dealing-with-Related-Party-Transactions-\\_08022017.pdf](https://www.goodyear.co.in/wp-content/uploads/Goodyear-India-Limited_Policy-on-dealing-with-Related-Party-Transactions-_08022017.pdf).

The Company, in its normal course of business, undertakes sale/ purchase/service transactions with Goodyear South Asia Tyres Private Limited ("GSATPL"), pursuant to an offtake agreement. The current offtake agreement is in force with effect from July 1, 2014, in terms of approval of the Audit Committee & Board of Directors dated July 30, 2014 and Minority Shareholders dated June 26, 2015.

During the Financial Year 2016-17, Mr. Rajeev Anand, Vice Chairman and Managing Director of the Company was also on the Board of GSATPL. Mr. Leopoldo Estefano Maggiolo Gonzalez (Finance Director of the Company) was also a Director in GSATPL till February 7, 2017.

The above related party transactions undertaken during the Financial Year did not have conflict with the interests of the Company at large.

The disclosure of transactions with the related parties per Ind AS 24 is appearing in Note No. 27 of the notes to financial statements with the Company for the Financial Year ended March 31, 2017.

**(b) Details of non-compliance, penalties, strictures by stock exchanges or Securities & Exchange Board of India ("SEBI") or any statutory authority, on any matter related to the capital markets during last three years:**

None

**(c) Details of establishment of Vigil Mechanism, Whistle Blower Policy, and affirmation that no personnel has been denied access to the Audit Committee:**

The Business Conduct Manual of GTRC applicable for global operations including the Company, a copy of which is accessible to associates of the Company, inter-alia provides that associates can anonymously report violations by calling on the toll free number mentioned therein. In compliance with applicable provisions of the Companies Act, 2013, rules made thereunder and applicable provisions of SEBI (LODR), 2015, the Board of Directors of the Company had approved the Vigil Mechanism (including Whistle Blower Mechanism /Policy). The details of which are appearing on the website [www.goodyear.co.in](http://www.goodyear.co.in) (in Investor Relations section). It is also affirmed that no personnel have been denied access to the Audit Committee.

**(d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements as specified in specified in Part E of Schedule II of LODR Regulations 2015:**

The Company had duly complied with all the mandatory requirements under Chapter IV of the SEBI (LODR), 2015. The Company had not adopted the non-mandatory (discretionary) requirements as mentioned in Part E of Schedule II of the SEBI (LODR), 2015 except that the Company has separate post for the Chairman as well as the Managing Director and that the Internal Auditor reports directly to the Audit Committee.

**(e) Web link where policy for determining 'material' subsidiaries and policy for dealing related party transactions.**

Since the Company has no subsidiary, policy for determining material subsidiary is not applicable and this fact is disclosed on the website of the Company at [www.goodyear.co.in](http://www.goodyear.co.in) (in Investor Relations Section).

Policy for dealing Related Party Transactions can be accessed at: <https://www.goodyear.co.in/wp-content/uploads/Goodyear->



(f) **Disclosure of commodity price risks and commodity hedging activities**

None

(g) **Disclosure of compliance with Corporate Governance Requirements**

The Company has duly complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of LODR Regulations 2015.

(h) **Inter-se relationship between Directors of the Company**

None

(i) **Disclosure of Accounting Treatment**

The current Financial Year statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Beginning April 1, 2016, the Company has for the first time adopted Ind AS with a transition date of January 1, 2015.

During the previous period, the Accounting Year of the Company was changed from January-December to April-March in line with the provisions of the Companies Act, 2013. Accordingly, previous year's annual financial statements of the Company were for a period of fifteen months, from January 1, 2015 to March 31, 2016 and are therefore the results for the current period are not comparable with those of the previous periods.

**12. OTHER INFORMATION**

(a) **Details of the Directors seeking Appointment/Re-appointment:**

(i) **Mr. Christopher Raymond Delaney (DIN: 07348894)**

Mr. Christopher Raymond Delaney who was appointed as Director of the Company w.e.f. January 01, 2016 is retiring by rotation in the forthcoming Annual General Meeting of the Company and is proposed to be re-appointed.

(ii) **Mr. Leopoldo Estefano Maggiolo Gonzalez (DIN: 07318939)**

Mr. Leopoldo Estefano Maggiolo Gonzalez was appointed as Additional and Whole time Director of the Company w.e.f February 9, 2017 and is proposed to be appointed as a Director.

The details are as under:

Particulars	Mr. Christopher Raymond Delaney	Mr. Leopoldo Estefano Maggiolo Gonzalez
Date of Birth	31/08/1961	16/01/1975
Date of first Appointment	01/01/2016	09/02/2017
Qualification	Graduate of Trinity College in Hartford, Conn., where he earned his bachelor's degree in history.	Masters Degree in Business Administration from the School of Universidad Adolfo Ibanez

Expertise in specific functional area	Mr. Delaney's career includes 20 years in positions of increasing responsibility at Procter & Gamble Co. He worked in sales and business development in both North America and Europe before becoming vice president and general manager, first in the Middle East and then in North America. Mr. Delaney then spent seven years at the Campbell Soup Company, first leading international sales before becoming president, emerging markets and later president, Asia Pacific. Prior to joining Goodyear India Limited, Mr. Delaney was CEO and Managing Director of Goodman Fielder in Australia from July 2011 to March 2015	Mr. Leo has 20 years of professional and diverse experience in the Finance field. Mr. Leo joined Goodyear Group in Chile in January 2006 as Controller from Impresora y Comercial Publicigias where he was a Chief Accounting & Management. Prior to Impesora, Mr. Leo was Controller/Finance Manager for Avery Dennison Chile S.A, Financial Reporting Mercosur for Avery Dennison Argentina. Later on, Mr. Leo held the position of Finance Director in Goodyear Group in Peru in January 2008 and Finance Director, Andean Cluster (Chile-Colombia-Peru) in Goodyear Group in Peru in February 2013.
Directorships held in Other Listed Companies in India	None	None
Chairman/ Member of Committee of the Board of other Listed Companies in which they are Director	None	None
Shareholding in Goodyear India Limited	None	None
Inter-se Relationship between Directors	None	None

(b) **Management Discussion and Analysis Report**

A Management Discussion and Analysis Report which forms part of the Annual Report is given by means of a separate annexure and is attached to the Directors' Report.

(c) **Certificate from Statutory Auditor regarding compliance of conditions of corporate governance**

A certificate from the Statutory Auditor is annexed as "Appendix B" certifying the compliance of corporate governance requirements by the Company.

(d) **CEO/CFO Certificate**

In terms of the requirement of the Regulation 17(8) of the SEBI (LODR), 2015, the certificate from CEO/CFO had been obtained.

On behalf of the Board of Directors

**Rajeev Anand**  
(Vice Chairman &  
Managing Director)  
DIN: 02519876

**R V Gupta**  
(Director)  
DIN: 00017410

May 26, 2017  
New Delhi



## **Declaration regarding Affirmation of compliance with the Code of Conduct**

I hereby confirm that the Company has received affirmations on compliance with the Code of conduct for the financial year 2016-17 from all the Board Members and Senior Management Personnel pursuant to the requirements of Regulation 26(3) of Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations 2015.

For Goodyear India Limited

Date: May 26, 2017  
Place: New Delhi

**Rajeev Anand**  
(Vice Chairman & Managing Director)  
(DIN: 02519876)

## **Auditors' Certificate regarding compliance of conditions of Corporate Governance**

To the Members of Goodyear India Limited

We have examined the compliance of conditions of Corporate Governance by Goodyear India Limited, for the year ended March 31, 2016, as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Price Waterhouse & Co Bangalore LLP**  
Firm Registration Number: 007567S/ S-200012  
Chartered Accountants

New Delhi  
May 26, 2017

**Abhishek Rara**  
Partner  
Membership Number 077779



# Management Discussion & Analysis Report

In compliance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR), 2015"], please find below the Management Discussion and Analysis Report forming part of Annual Report.

## 1. Industry Structure & Developments

The country saw a revival in the rural sector after two consecutive years of below normal monsoon (12% below rainfall in 2014 and 14% below rainfall in 2015) with monsoon being in the normal range at 97% of the long period average in 2016 (Source: IMD).

This led to double-digit growth in tractor sales. The Farm tyre industry both in OE and replacement markets saw robust double digit growths in 2016 aligned to the tractor industry trends. The Company being the significant player in this category, continued to collaboratively work with its partners with agility to sustain our business growth in both OE and Replacement markets. The Company's farm business focused on delivering sales & marketing excellence together with innovation and operational excellence to win in the market. This helped us during the tough period of demonetization.

In spite of tough market conditions and increased competitive intensity, the consumer replacement business grew faster than the industry in 2016, thereby gaining valuable market share.

## 2. Opportunities and Threats

In light of expected record crop production and on the back of strong recovery in the rural sector in 2016-17 we expect the momentum to continue with increase in farm income and rise in consumer spending. However, the tyre industry is also going through a tough situation with raw material prices shooting upwards from late last year. In addition to this, there is uncertainty about the monsoon with looming fear of El Nino hitting the south west monsoon later this year. This year also marks the implementation of the GST (one country, one tax) from July 1, 2017 which may lead to some level of uncertainty in the market, affecting the Company's business operations especially in the replacement market.

The Company will continue to focus on sustaining leadership in the Farm OE business through excellence in key account management as reflected by numerous awards conferred to us from the OEMs. In the Farm replacement business, we plan to continue our growth by channel expansion, engagement and activations through sales and marketing excellence. Exports to key neighboring markets will continue to be an area of focus. In commercial tyre business, we will continue to build the business in line with huge opportunity offered in this category. These strategic actions are backed by One Team driving performance – on the road, in the marketplace, and throughout the Company.

In the consumer tyre business, there has been a gradual increase in consumer demand for premium vehicles especially in the luxury and SUV segments. This shift in consumer demand will open up opportunities for the business to grow volumes as well as improve profitability. The economy is expected to grow

at a robust pace, providing a favorable outlook for the future.

The competitive intensity has been high and continues to intensify with bolder measures, new launches and investments in consumer business to garner higher share of business. The Company also faced some slowdown in November and December due to the impact of demonetization taking some sheen of what was otherwise a good year. However, this was a temporary phase and recovery was seen soon after. The Company will continue to work to overcome challenges and capitalize on opportunities to grow overall business.

## 3. Segment-wise/ Product-wise Performance

The Company manufactures automotive bias tyres viz. farm tyres and commercial truck tyres at its Ballabgarh plant and also trades in "Goodyear" branded tyres [including radial passenger tyres] manufactured by Goodyear South Asia Tyres Private Limited (GSATPL), Aurangabad. The other products in which the Company markets and sells include tubes and flaps.

The sales performance during the year is as follows:

(Rs. in Lakhs)

Tyres	154,618
Flaps	151
Tubes	7,746

We continued to strengthen our position in the Passenger Luxury and SUV segment with introduction of more than 10 new tyre sizes in 2016. We also partnered with premium car manufacturer to cater to their tyre requirements in their OE authorized auto channels.

## 4. Outlook

We are expecting a continued momentum in rural economy and positive consumer sentiments based on strong agriculture output for the year 2016-17 (4.1% higher over 2015-16 as per second advance estimate of Ministry of Agriculture) coupled with higher MSP (Minimum Support Price) that will boost farm incomes and increase rural spending. This should lead to a better performance from the Farm business aided by higher tractor sales by the Farm OEMs and strong demand from replacement market. In addition, higher mechanization will further support growth in this category.

The passenger tyre industry is likely to register a modest growth in the year 2017. The consumer business will continue to focus on expanding its distribution footprint, strengthen its presence in the branded retail segment alongside investments towards improving overall brand strength and salience. The current favorable macroeconomic indicators and strong consumer sentiments are expected to drive overall industry growth.

## 5. Risks and Concerns

Risks of below normal rainfall and fears of El Nino pose a challenge to the rural sector. Lower than normal rainfall will have an adverse bearing on the summer harvest and in turn



will affect the rural sentiments which saw revival in 2016 on the back of normal monsoons.

The rising raw material prices, also pose a challenge. Our business is focused on delivering maximum shareholder value by optimizing our business margins and this may result in some volume loss, due to the high level of competitiveness in the tyre industry.

Finally, with a change in the Tax regime forthcoming with the implementation of GST (one country, one tax) expected in July 2017, business might have to contend with uncertainty in the markets during its initial implementation process.

This year's budget has high focus on the Farm sector. The quality of implementation and percolation of benefits will determine the success of the same.

Approximately 25% of the net sales of the Company were attributable to the sale of products procured from Goodyear South Asia Tyres Private Limited (GSATPL), Aurangabad.

The prevailing uncertainty in some of the legal disputes/ demands etc. raised against the Company, arbitrary disallowances in certain tax proceedings and untenable disputes raised are the additional areas of concern perceived by the Company.

As in the past, the Company has obtained insurance coverage for its assets. However, no coverage for the foreign exchange risk was obtained for its foreign exchange exposures.

#### 6. Internal Control Systems and Their Adequacy

The Company has a proper and adequate system of internal control including internal financial controls. 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, and reviewing the performance of statutory and internal auditors with management. The internal control system, including internal financial controls of the Company, is monitored by an independent internal audit team, which encompasses examination/ periodic reviews to ascertain adequacy of internal controls and compliance to Company's policies. Weaknesses noted along with agreed upon action plans are shared with the Audit Committee, which is designed to ensure orderly and efficient conduct of the business and effectiveness of the system of internal control. The audit function also looks into, preventive controls, investigations, as well as other areas requiring mandatory review per applicable laws. The powers of the Audit Committee, inter-alia, include seeking information from any employee, obtaining outside legal or other professional advice, and investigating any activity of the Company within the Committee's term of reference. The internal audit department shares regular updates regarding the work done, coverage, weaknesses noted and other relevant issues with appropriate management levels including Audit Committee. Observations/ weaknesses noted from time to time are suitably acted upon and followed up at different levels of management. The internal control is supplemented

by an extensive program of audits and periodic review by the management.

#### 7. Discussion on Financial Performance with respect to Operational Performance

The details of the financial performance of the Company are reflected in the Balance Sheet, Statement of Profit & Loss and other Financial Statements, appearing separately. Highlights are provided below:

(Rs. in Lakhs)

Particulars	12 Months ended March 31, 2017	15 Months ended March 31, 2016
Total Income	166,001	189,697
Profit Before Tax	19,561	18,427

The financial performance of the Company has been further explained in the Directors' Report of the Company for the Financial Year 2016-17 appearing separately.

#### 8. Human Resources

Industrial peace and harmony was maintained during the years through cordial and productive employee relations. The new Factory Union Committee was elected on November 8, 2016 and took over the charge. Hiring of 62 Hourly Associates has been done. Capability building training was conducted on different topics like Safety, Shop Floor Management, basic IT skills and attitudinal training for Union transformation. The Company's Ballabgarh Plant received two Goodyear Global best practices awards and one regional award for improving energy efficiency. Total number of salaried and hourly associates as on March 31, 2017 stood at 924.

#### 9. Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's views about the industry, expectations/predictions, objectives etc. may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied in these statements. The Company's operations may, inter-alia, be affected by the supply and demand situations, input prices and availability, changes in Government regulations, tax laws, government or court decisions and other factors such as industry relations and economic developments etc. Investors should bear this in mind when considering the above statements.

On behalf of the Board of Directors

May 26, 2017  
New Delhi

**Rajeev Anand**  
(Vice Chairman &  
Managing Director)  
DIN: 02519876

**R V Gupta**  
(Director)  
DIN: 00017410



## Annual Report on Corporate Social Responsibility ("CSR") Activities

1. A brief Outline of Company's CSR Policy, including overview of the projects or programs undertaken and a reference to the web-link to the CSR Policy and projects or programs

The CSR Policy of the Company outlines multiple areas covered under Schedule VII of Companies Act, 2013 read with rules made thereunder, as amended with an objective to increasingly contribute to activities that are beneficial to the society and community at large, chart out a mechanism for undertaking CSR Activities, engage with Company's key stakeholders in matters related to CSR Activities and align/ sync the activities undertaken by the Company with the applicable laws. CSR Policy of the Company can be accessed at the Company's website [www.goodyear.co.in](http://www.goodyear.co.in) (in Investor Relations section).

During the Financial Year 2016-17, the CSR Committee has approved the following projects, which were undertaken by the Company:

- Goodyear-IRTE driver training programme for fleet operators:** This project was aimed at providing training to 4660 drivers of taxi cabs in Delhi NCR and Mumbai. The Company provided trainings to 4867 drivers by conducting 288 workshops.
- Construction and maintenance of public utilities with Sulabh International Social Service Organization:** The project aimed to construct and maintain public utilities around the Delhi Mathura Highway area. This was in alignment with Swatch Bharat Abhiyan of Government of India. The project was subject to availability of land on and around the Delhi Mathura Highway area and had

to be discontinued due to procedural delay in obtaining required approval of concerned authorities.

2. The Composition of the CSR committee:

As on the date of this report, composition of CSR committee is as follows:

S. No.	CSR Committee Member	Designation/ Category	Role in the CSR Committee
1	Rajeev Anand	Vice Chairman & Managing Director	Chairman of the Committee
2	Chandrashekhar Dasgupta	Independent Non-Executive Director	Member of Committee
3	Leopoldo Estefano Maggiolo Gonzalez	Finance Director	Member of Committee

3. Average Net Profit of the Company for last three Financial Years: Rs.16151.47 lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 323.03 lakhs

5. Details of CSR Spend during the Financial Year:

(a) **Total amount to be spent for the Financial Year (2016-17):** The Company was required to spend Rs. 323.03 lakhs in 2016-17 on CSR activities. As per the CSR Policy of the Company an unspent amount of Rs. 0.86 lakhs from the CSR spend requirement of 2015-16 was carried forward to the CSR budget of 2016-17. An additional budget of Rs. 0.03 Lakhs was allocated by the Company for CSR activities in 2016-17.

(b) **Amount unspent, if any =** Rs. 67.60 lakhs

(c) **Manner in which the amount was spent during the Financial Year 2016-17 is detailed below:**

**(Amount in Rs.)**

S. No.	CSR Project	Sector (as per Schedule VII)	Local area or other	State and District	Amount outlay (budget) (Rs)	Amount spent: (1) Direct (2) Overheads	Cumulative expenditure up to the reporting Period	Direct or through implementing agency
1	Driver training programme for fleet operators	"Promoting education, including special education & employment enhancing vocational skills among children, women, elderly and the differently abled and livelihood enhancement projects"	Other	Delhi, NCR and Maharashtra	2,54,72,500	(1) Direct expenses: 2,42,12,500 (2) Overheads: 12,60,000	2,54,72,500	Institute of Road Traffic Education (IRTE)
2	Construction and maintenance of 3 public toilets (10, 10, 3-4 seater capacity) on Delhi - Mathura Road	"Eradicating hunger, poverty, malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water"	Other	Delhi, Haryana	61,80,000	(1) Direct expenses: Nil (2) Overheads: Nil	Nil	Sulabh International Social Service Organization
3	Administrative expenses @ 5% of CSR budget)				7,40,150	1,60,000	1,60,000	
	<b>Total</b>				<b>3,23,92,650</b>	<b>2,56,32,500</b>	<b>2,56,32,500</b>	

6. Reasons for non-utilization of funds:

The lower spend was due to procedural delay in obtaining clearance for the project from the concerned authorities. The Company stays committed to its corporate social responsibility and intends to make concerted efforts to spend the shortfall in the next financial year over the prescribed CSR amount for that year.

the implementation and monitoring of the CSR projects and activities is in compliance with the CSR objectives and policy of the Company.

On behalf of the Board of Directors

7. Responsibility Statement of the CSR Committee:

The CSR Committee of the Company hereby confirms that

May 26, 2017  
New Delhi

**Rajeev Anand**  
(Vice Chairman & Managing Director)  
DIN: 02519876

**R V Gupta**  
(Director)  
DIN: 00017410



## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

**A) CONSERVATION OF ENERGY:**

**(i) Steps taken or impact on conservation of energy:**

- 1) Energy Savings through Centrifugal compressors up-gradation replaced Air end assy. To increase output with same motor rating
- 2) Energy Efficient Vacuum Pumps in Bagger to save power
- 3) One pump elimination of bagger booster pump to save power consumption
- 4) Installation LED Light
- 5) Mixing productivity improvement to save power consumption
- 6) Banbury efficiency increase due to side wall compound to save power consumption
- 7) OA optimizations reduce electrical rate
- 8) To start Jockey Pump IPO of factory pump to save power
- 9) VFD on FG line hydraulic pump to save power

**Steam & Nitrogen:**

- 1) Plant steam consumption reduction kgs team/kg of prod
- 2) Boiler efficiency improved to save fuel
- 3) Curing output improvement
- 4) To reduce heat losses in curing by improving insulation

**(ii) Steps taken by the company for utilizing alternate sources of energy:**

Proposal for installing 500 KWp Solar Power panels in the plant.

**(iii) Capital investment on energy conservation equipment's:**

(Rs. in Lakhs)

Nature of Investment	Capital investments on energy conservation equipment's
Back pressure turbine incurring.	172
VFD OF FGLine	45
LED Light	61
Others	36
Total	314

**B) TECHNOLOGY ABSORPTION:**

**(i) Efforts made towards technology absorption**

**a) New Product Introduction**

The Company partners its Innovation centres in Akron, USA and Luxembourg, EU in research and

development activities to introduce new products and improve its existing product line to meets the customers' expectations and requirements.

**b) Process Improvement**

The Company's manufacturing unit undertakes focused engagement of its associates in planned activities on process improvement to reduce process variation and waste

**c) Systems improvement**

The Company is certified on ISO/TS 16949 for Quality Management System and ISO 14001 for Environmental Management System. Further the Company's systems and procedures are based on Goodyear global Quality management system.

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

- Specific areas in which Research and Development ("R&D") activities were carried out by the Company:
  - a. New products development for local and export market particularly as OE fitments in tractors exported by tractor manufacturers.
  - b. Emphasis on continual improvement in manufacturing process and product quality aided and guided by Asia Pacific and Global Quality teams to cater to customer satisfaction. Reduction in organic solvent usage, process waste and energy usage.
  - c. Usage of Continuous Improvement Systems ("CIS") tools like six sigma / lean with technical support resulted in stabilizing process and improvement in productivity with lower optimum product cost.
  - d. Development/ introduction of new and changed compound formulation and changes in construction has enabled to improve product performance
  - e. Equipped with farm tyre testing facility for new product industrialization and new product launches with minimum lead time, as well as for product benchmarking.
- Benefits derived as a result of above R&D/efforts:
  - a. The R&D activities helped the Company to add new products to its portfolio, increase size ranges and meet customer requirement. These activities also enabled the Company to reduce process waste, lower energy consumption, increase



productivity and release new products, thereby achieving higher Customer Acceptance and Satisfaction. The results of such R&D activities are not used by any other Goodyear affiliates for its operations.

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)-

a)	Technology imported	NONE
b)	Year of import	Not Applicable
c)	Has technology been fully absorbed?	
d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	

- (iv) Expenditure incurred on Research and Development (R&D)

Following are the details of expenditure incurred on Research and Development during the Financial Year 2016-17:

(Rs. in Lakhs)

Capital	NIL
Recurring	18
Total	18
Total R&D Expenditure as a Percentage of total turnover	0.011%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lakhs)

Year	Earned		Used			
			Import (CIF)			
	Export (FOB)	Others	Capital Goods	Stores & Spares	Raw Material	Others
2016-17 (12 months ended March 31, 2017)	5,627	1,050	1,130	76	10,232	12,578

On behalf of the Board of Directors

May 26, 2017  
New Delhi

**Rajeev Anand**  
(Vice Chairman &  
Managing Director)  
DIN: 02519876

**R V Gupta**  
(Director)  
DIN: 00017410



# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF GOODYEAR INDIA LIMITED

### Report on the abridged Indian Accounting Standards (Ind AS) financial statements

1. The accompanying abridged Ind AS financial statements of **Goodyear India Limited** (the "Company") comprise the abridged balance sheet as at March 31, 2017, the abridged statement of profit and loss (including Other Comprehensive Income), abridged cash flow statement and the abridged statement of changes in equity for the year then ended together with the related notes, which we have signed under reference to this report.
2. These abridged Ind AS financial statements are derived from the statutory audited Ind AS financial statements of the Company for the year ended March 31, 2017 prepared by the Company's Management in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Companies Act, 2013 (the "Act"), covered by our attached report of even date to the Members of the Company pursuant to section 143 of the Act, in which we have expressed an unmodified audit opinion.
3. The abridged Ind AS financial statements do not contain all the disclosures required by the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act and Schedule III to the Act, applied in the preparation and presentation of the audited Ind AS financial statements of the Company. Reading the abridged Ind AS financial statements, therefore, is not a substitute for reading the audited Ind AS financial statements of the Company.

### Management's Responsibility for the Abridged Ind AS Financial Statements

4. The Company's Management is responsible for the preparation of the abridged Ind AS financial statements in accordance with Section 136 of the Act. The Company's Management (including Directors) are ultimately responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the abridged Ind AS financial statements that are consistent with the audited Ind AS financial statements and are free from material misstatement, whether due to fraud or error; and also includes appropriate interpretation and application of the relevant provisions of the Act.

5. The Company's Management (including Directors) are also responsible for ensuring that the Company complies with the requirements of Section 136 of the Act.

### Auditors' Responsibility

6. Our responsibility is to express an opinion on the abridged Ind AS financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, 'Engagements to Report on Summary Financial Statements', issued by the Institute of Chartered Accountants of India.

### Opinion

7. In our opinion, the accompanying abridged Ind AS financial statements, are consistent, in all material respects, with the audited Ind AS statutory financial statements of the Company as at and for the year ended March 31, 2017 prepared in accordance with Division II to Schedule III to the Act, covered by our attached report of even date to the Members of the Company pursuant to section 143 of the Act (refer Annexure-1), in accordance with Section 136 of the Act.

### Emphasis of Matter

8. We draw attention to Note 2 to the abridged Ind AS financial statements regarding the Supreme Court's judgement in respect of the authority of the State to levy an 'entry tax'. The Company has sought legal advice with regard to levability of tax as notified by the Haryana Government in view of the parameters defined in the Supreme Court judgement. Considering the legal advice and uncertainties associated, the Company has currently assessed the obligation towards entry tax as a contingent liability which is not quantifiable as the enabling rules have not been notified and the company has not received any notices or demands.

Our conclusion is not qualified in respect of this matter.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/ S-200012  
Chartered Accountants

New Delhi  
May 26, 2017

Abhishek Rara  
Partner  
Membership Number 077779



# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF GOODYEAR INDIA LIMITED

### Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of **Goodyear India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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.

#### Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Emphasis of Matter

9. We draw attention to Note 28 to the Ind AS financial statements regarding the Supreme Court's judgement in respect of the authority of the State to levy an 'entry tax'. The Company has sought legal advice with regard to levability of tax as notified by the Haryana Government in view of the parameters defined in the Supreme Court judgement. Considering the legal advice and uncertainties associated, the Company has currently assessed the obligation towards entry tax as a contingent liability which is not quantifiable as the enabling rules have not been notified and the company has not received any notices or demands.

Our conclusion is not qualified in respect of this matter.

#### Other Matter

10. The financial information of the Company for the 15 months period from January 1, 2015 to March 31, 2016 and the transition date opening balance sheet as at January 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the 15 months period from January 1, 2015 to March 31, 2016 and the year ended December 31, 2014 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 30, 2016 and February



27, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (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. However, the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 10 (b) above that the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its Ind AS financial statements – Refer Notes 6, 11 and 28 to the Ind AS financial statements;
    - ii. The Company does not have derivative contracts and in respect of other long-term contracts there are no material foreseeable losses as at March 31, 2017;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
    - iv The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from November 8, 2016 to December 30, 2016 including information about exchange of SBN of 'Rs. 500 denomination' with SBN of 'Rs. 1,000 denomination'. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management, as explained in Note 5(e) to the Ind AS financial statements.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/ S-200012  
Chartered Accountants

New Delhi  
May 26, 2017

Abhishek Rara  
Partner  
Membership Number 077779



## Annexure A to Independent Auditors' Report

Referred to in paragraph 12 (g) of the Independent Auditors' Report of even date to the members of Goodyear India Limited on the Ind AS financial statements for the year ended March 31, 2017

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Goodyear India Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management 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 Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 its business, including adherence to 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/ S-200012  
Chartered Accountants

New Delhi  
May 26, 2017

Abhishek Rara  
Partner  
Membership Number 077779



## Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Goodyear India Limited on the Ind AS financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment and intangible assets.
- (b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items 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. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory including stocks with third parties have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, service tax, duty of excise, value added tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of excise and value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:



Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central and State Tax Acts	Sales Tax/Value Added Tax	316 (Net of payment under protest of 31)	1979-1980; 1987-1988; 1997-1998; 2000-2016	First level of Appellate Authority i.e. Assistant Commissioner/ Deputy Commissioner/ Joint Commissioner/ Commissioner/ Commercial Tax Appellate and Revisional Board
		29 (Net of payment under protest of 10)	2003-2004; 2006-2007; 2008-2010	Sales Tax Tribunal
		7 (Net of payment under protest of 14)	1978-1979; 2002-04; 2008-09	High Court
The Central Excise Act, 1944 and Finance Act, 1994	Excise Duty/ Service Tax	102 (Net of payment under protest of 103)	1997-1998	Supreme Court of India
		19	1997-1998	High Court
		1,299 (Net of payment under protest of 411)	1997-1999 2004-2015	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		230 (Net of payment under protest of 4)	2005-2015	Commissioner (Appeals)
The Income Tax Act, 1961	Income Tax	Nil (Net of payment under protest of 32)	1971-76	Supreme Court of India
		631 (Net of payment under protest of 513)	2005-2009	High Court
		3,726 (Net of payment under protest of 200)	2004-2007; 2009-2012	The Income Tax Appellate Tribunal

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions

have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/ S-200012  
Chartered Accountants

New Delhi  
May 26, 2017

Abhishek Rara  
Partner  
Membership Number 077779



# GOODYEAR INDIA LIMITED

## Abridged Balance Sheet as at March 31, 2017

(All amount in INR lakhs, unless otherwise stated)

(Statement containing the salient features of Balance Sheet as per Companies Act, 2013)

(Pursuant to first proviso of sub-section (1) of 136 of the Companies Act, 2013 and Rule 10 of Companies (Account) Rules, 2014)

	Note	As at Mar 31, 2017	As at Mar 31, 2016	As at Jan 1, 2015
<b>ASSETS</b>				
(1) <b>Non-Current Assets</b>				
(a) Property, plant and equipment		22,667	22,130	24,045
(b) Capital work in progress		3,134	2,890	1,709
(c) Other intangible assets		8	7	1
(d) Financial assets				
(i) Other financial assets		648	683	506
(e) Other non-current assets		1,161	925	951
(f) Deferred tax assets		1,264	1,048	890
(g) Current tax assets (net)		826	730	491
<b>Total non-current assets</b>		<b>29,708</b>	<b>28,413</b>	<b>28,593</b>
(2) <b>Current Assets</b>				
(a) Inventories		16,903	12,752	12,255
(b) Financial assets				
(i) Trade receivables		15,723	15,939	11,213
(ii) Cash and cash equivalents	5	19,576	7,611	23,074
(iii) Bank balances other than (ii) above	6	25,767	25,742	13,425
(iv) Other financial assets		1,230	1,117	902
(c) Other current assets		1,314	1,922	742
<b>Total current assets</b>		<b>80,513</b>	<b>65,083</b>	<b>61,611</b>
<b>Total assets</b>		<b>110,221</b>	<b>93,496</b>	<b>90,204</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital		2,307	2,307	2,307
(b) Other equity				
(i) Reserves and surplus		68,401	59,105	49,929
<b>Total equity</b>		<b>70,708</b>	<b>61,412</b>	<b>52,236</b>
<b>Liabilities</b>				
(1) <b>Non-Current Liabilities</b>				
(a) Provisions		2,066	1,877	1,650
(b) Deferred tax liabilities		1,999	2,050	2,272
(c) Other non-current liabilities		99	179	592
<b>Total non-current liabilities</b>		<b>4,164</b>	<b>4,106</b>	<b>4,514</b>
(2) <b>Current Liabilities</b>				
(a) Financial liabilities				
(i) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		248	217	289
- Total outstanding dues of creditors other than micro enterprises and small enterprises		26,156	19,782	24,175
(ii) Other financial liabilities		5,164	4,568	4,358
(b) Provisions		922	656	711
(c) Other current liabilities		2,859	2,755	3,921
<b>Total current liabilities</b>		<b>35,349</b>	<b>27,978</b>	<b>33,454</b>
<b>Total liabilities</b>		<b>39,513</b>	<b>32,084</b>	<b>37,968</b>
<b>Total equity and liabilities</b>		<b>110,221</b>	<b>93,496</b>	<b>90,204</b>

The above abridged balance sheet should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration No. 007567S/ S-200012  
Chartered Accountants

Abhishek Rara  
Partner  
Membership Number: 077779

Place: New Delhi  
Date: May 26, 2017

For and on behalf of the Board

Rajeev Anand  
Vice Chairman &  
Managing Director  
DIN: 02519876

R V Gupta  
Director  
DIN: 00017410

Sudha Ravi  
Director  
DIN: 06764496

Leopoldo Estefano  
Maggiolo Gonzalez  
Finance Director  
DIN: 07318939

C Dasgupta  
Director  
DIN: 00381799

Pankaj Gupta  
Company Secretary



# GOODYEAR INDIA LIMITED

## Abridged Statement of Profit and Loss for the year ended March 31, 2017

(All amount in INR lakhs, unless otherwise stated)

(Statement containing the salient features of Statement of Profit & Loss as per Companies Act, 2013)

(Pursuant to first proviso of sub-section (1) of 136 of the Companies Act, 2013 and Rule 10 of Companies (Account) Rules, 2014)

	Notes	For 12 Months ended Mar 31, 2017	For 15 Months ended Mar 31, 2016
Revenue from operations		162,710	185,931
Other Income	7	3,291	3,766
<b>Total Income</b>		<b>166,001</b>	<b>189,697</b>
<b>Expenses</b>			
Cost of materials consumed	8	57,361	62,452
Purchases of stock-in-trade		39,933	49,535
Changes in inventories of work-in-progress, stock-in-trade and finished goods		(2,153)	(468)
Excise duty		11,526	12,898
Employee benefits expense		12,126	13,945
Finance costs		336	324
Depreciation and amortisation expense		3,374	4,650
Other expenses		23,937	27,934
<b>Total expenses</b>		<b>146,440</b>	<b>171,270</b>
<b>Profit before tax</b>		<b>19,561</b>	<b>18,427</b>
<b>Income tax expense</b>			
- Current tax		7,033	6,826
- Deferred tax		(209)	(375)
<b>Total tax expense</b>		<b>6,824</b>	<b>6,451</b>
<b>Profit for the year/ period</b>		<b>12,737</b>	<b>11,976</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
(i) Remeasurement of defined benefit plans		(167)	(15)
Income tax related to above item		58	5
		(109)	(10)
<b>Other comprehensive income (loss) for the year/ period, net of tax</b>		<b>(109)</b>	<b>(10)</b>
<b>Total comprehensive income for the year/ period</b>		<b>12,628</b>	<b>11,966</b>
<b>Earnings per equity share:</b>			
Basic earnings per Equity Share (Rs.)		55.22	51.92
Diluted earnings per Equity Share (Rs.)		55.22	51.92
Nominal value per Equity Share (Rs.)		10	10

The above abridged statement of profit and loss should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration No. 007567S/ S-200012  
Chartered Accountants

Abhishek Rara  
Partner  
Membership Number: 077779

Place: New Delhi  
Date: May 26, 2017

For and on behalf of the Board

Rajeev Anand  
Vice Chairman &  
Managing Director  
DIN: 02519876

R V Gupta  
Director  
DIN: 00017410

Sudha Ravi  
Director  
DIN: 06764496

Leopoldo Estefano  
Maggiolo Gonzalez  
Finance Director  
DIN: 07318939

C Dasgupta  
Director  
DIN: 00381799

Pankaj Gupta  
Company Secretary



# GOODYEAR INDIA LIMITED

## Abridged Statement of Changes in Equity as on March 31, 2017

(All amount in INR lakhs, unless otherwise stated)

(Statement containing the salient features of Statement of Changes in Equity as per Companies Act, 2013)

(Pursuant to first proviso of sub-section (1) of 136 of the Companies Act, 2013 and Rule 10 of Companies (Account) Rules, 2014)

### A. Equity share capital

	Note	Amount
As at 1st January 2015		2,307
Changes in equity share capital		-
As at 31st March 2016	9(a)	2,307
Changes in equity share capital		-
As at 31st March 2017		2,307

### B. Other equity

	Note	Reserves and surplus				Total other equity
		Security premium	General reserve	Retained earnings	Other equity-revaluation	
As at 1 January, 2015	9 (b)	6,314	6,420	36,923	272	49,929
Profit for the period		-	-	11,976	-	11,976
Other comprehensive income		-	-	(10)	-	(10)
<b>Total comprehensive income for the period</b>		-	-	<b>11,966</b>	-	<b>11,966</b>
Dividend paid	25	-	-	(2,307)	-	(2,307)
Dividend distribution tax on dividend paid		-	-	(483)	-	(483)
<b>Balance as at 31 March 2016</b>	<b>9 (b)</b>	<b>6,314</b>	<b>6,420</b>	<b>46,099</b>	<b>272</b>	<b>59,105</b>

	Note	Reserves and surplus				Total other equity
		Security premium	General reserve	Retained earnings	Other equity-revaluation	
As at 1 April, 2016	9 (b)	6,314	6,420	46,099	272	59,105
Profit for the year		-	-	12,737	-	12,737
Other comprehensive income		-	-	(109)	-	(109)
<b>Total comprehensive income for the year</b>		-	-	<b>12,628</b>	-	<b>12,628</b>
Dividend paid	25	-	-	(2,768)	-	(2,768)
Dividend distribution tax on dividend paid		-	-	(564)	-	(564)
<b>Balance as at 31 March 2017</b>	<b>9 (b)</b>	<b>6,314</b>	<b>6,420</b>	<b>55,395</b>	<b>272</b>	<b>68,401</b>

The above abridged statement of changes in equity should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration No. 007567S/ S-200012  
Chartered Accountants

Abhishek Rara  
Partner  
Membership Number: 077779

Place: New Delhi  
Date: May 26, 2017

For and on behalf of the Board

Rajeev Anand  
Vice Chairman &  
Managing Director  
DIN: 02519876

R V Gupta  
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Finance Director  
DIN: 07318939

C Dasgupta  
Director  
DIN: 00381799

Pankaj Gupta  
Company Secretary



# GOODYEAR INDIA LIMITED

## Abridged Cash Flow Statement for the year ended March 31, 2017

(All amount in INR lakhs, unless otherwise stated)

(Pursuant to first proviso of sub-section (1) of 136 of the Companies Act, 2013 and Rule 10 of Companies (Account) Rules, 2014)

	For 12 Months ended Mar 31, 2017	For 15 Months ended Mar 31, 2016
1 Cash inflow from operating activities	16,777	933
2 Cash outflow from investing activities	(1,150)	(13,293)
3 Cash outflow from financing activities	(3,662)	(3,103)
4 Net increase/(decrease) in cash and cash equivalents (A+B+C)	11,965	(15,463)
5 Cash and cash equivalents at beginning of the year	7,611	23,074
6 Cash and cash equivalents at end of the year	19,576	7,611

The above abridged cash flow statement should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration No. 007567S/ S-200012  
Chartered Accountants

Abhishek Rara  
Partner  
Membership Number: 077779

Place: New Delhi  
Date: May 26, 2017

For and on behalf of the Board

Rajeev Anand  
Vice Chairman &  
Managing Director  
DIN: 02519876

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DIN: 07318939

C Dasgupta  
Director  
DIN: 00381799

Pankaj Gupta  
Company Secretary



# GOODYEAR INDIA LIMITED

## Notes to Abridged Financial Statements as on March 31, 2017

(All amount in INR lakhs, unless otherwise stated)

### Background

Goodyear India Limited (the "Company"), an existing company under the Companies Act, 2013, is a step-down subsidiary of The Goodyear Tire & Rubber Company, Akron, Ohio, USA ("GTRC"). The Company was originally registered and incorporated as a private company on October 10, 1922 and converted into a public company on March 24, 1961. The Company is engaged in the business of manufacturing and trading of tyres, tubes and flaps with manufacturing facility at Ballabgarh, Haryana, India. The Company is presently listed with the Bombay Stock Exchange (BSE Limited).

### (1) SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### i) Basis of preparation

##### a) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements up to 15 month period ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) ("Previous GAAP") and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer note 13 for an explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

##### b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that is measured at fair value
- defined benefit plans – plan assets measured at fair value; and
- share-based payments.

##### c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

Expected to be realised or intended to be sold or consumed in normal operating cycle.

Held primarily for the purpose of trading.

Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle.

It is held primarily for the purpose of trading.

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### d) Basis of preparation of Abridged Financial Statements

The existing Form AOC 3 which prescribes the format of the abridged financial statements, is based on Parts I and II of Division I of Schedule III of the Companies Act, 2013 (the "Act"). There is no format prescribed at present for abridged financial statements for companies following Ind AS. In view of this, the Management has prepared the abridged financial statements based on Parts I and II of Division II of Schedule III to the Act.

#### ii) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM), Managing Director. Refer note 4 for segment information presented.

#### iii) Property, plant and equipment

Freehold land is carried at historical cost. All other items are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the property, plant and equipment.

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 and the cost of the item can



be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### *Transition to Ind AS:*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at January 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### *Depreciation methods, estimated useful lives and residual value:*

Depreciation is provided on the straight-line method to allocate their cost, net of their residual values, over the estimated useful lives of the assets as prescribed in the Schedule II of the Companies Act, 2013 except for certain fixed assets where, based on technical evaluation by managements experts, the useful life of certain items of plant and machinery, buildings and furniture and fixture have been determined to be different from those mentioned in schedule II of the Companies Act, 2013, in order to reflect the actual usage of assets.

Class of Asset	Useful life
Freehold Buildings	5 – 30 Years
Furniture and Fittings	2 – 10 Years
Office Equipments	3 – 6 Years
Plant and Machinery	2 – 40 Years
Vehicles	8 Years

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which the asset is ready for use (disposed off).

The residual values are not more than 5% of the original cost of the asset. The residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ other expenses.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

#### iv) Intangible assets

##### *Computer software*

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Costs associated with maintaining software programmes are recognised as an expense as incurred.

#### *Transition to Ind AS:*

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognised as at January 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

#### *Amortisation methods and periods:*

The Company amortises intangible assets with the finite useful life (computer software) using straight line method over a period of 6 years.

#### v) Inventories

##### *Raw materials and stores, work in progress, traded and finished goods:*

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. 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 basis of determining cost for various categories of inventories is as follows:

Raw materials	Weighted average
Stores and Spare parts	Weighted average
Work-in-process and Finished goods	Materials and appropriate share of labour and overheads

#### vi) Revenue Recognition

Sale of goods: Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met and the significant risks and rewards of ownership in the goods are transferred to the buyer on delivery of goods.

Customer loyalty programme (deferred revenue): The Company operates a loyalty programme where customers accumulate points for purchases made which entitle them to gifts or discounts. Revenue related to the award points is deferred and recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

## vii) Employee Benefits

### a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations under other financial liabilities in the balance sheet. Employee State Insurance (State Plan): Contribution are made to the regulatory authorities and are recognised as employee benefits expense in the statement of profit and loss as and when due. The Company does not carry any further obligations, apart from the contributions made on a monthly basis.

### b) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period by actuaries using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### c) Post employment obligations

#### Defined Contribution Plans

Employee Pension Scheme 1995 : Contribution are made to the regulatory authorities and are recognised as employee benefits expense in the statement of profit and loss as and when due. This benefits is classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Superannuation Fund: Contribution towards Superannuation Fund is administered by a trust set up by the Company, which is recognized by the Income Tax authorities. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

#### Defined Benefit Plans

Provident Fund: Provident Fund contributions are made to a Trust administered by the Company. Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and

the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Trusts administered by the Company. Those trusts invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trusts and the notified interest rate.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or assets recognised in the balance sheet in respect of defined benefit provident fund plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period.

The defined benefit obligations are calculated at the end of the reporting period by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

For defined benefit provident fund plan, the net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations and the fair value of the plan assets. For defined benefit gratuity plan, the interest cost is calculated by applying the discount rate to the balance of the defined benefit obligations.

This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### d) Share-based payments

Liabilities for the stock-based payments (Stock Appreciation Right and Restricted Stock Units) are recognised as employee



benefit expenses over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as under Provisions in the balance sheet.

The company recognize compensation expense using the straight-line approach.

e) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

f) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

viii) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those

temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

ix) Foreign Currency Translations

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is Goodyear India Limited's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/other expenses.

x) Leases

*As a lessee*

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period

of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. Arrangements containing a lease have been evaluated as on the date of transition i.e. Jan 1, 2015 in accordance with Ind-AS 101 First-time Adoption of Indian Accounting Standards.

#### **xi) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/(expenses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

#### **xii) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying

assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

#### **xiii) Impairment of Assets - non financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **xiv) Provisions and Contingencies**

**Provisions:** Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**Contingent Liabilities:** Contingent liabilities are disclosed when:

- there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company, or
- a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



Contingent assets: contingent assets are disclosed when the inflow of economic benefit is probable.

#### xv) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments 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, and bank overdrafts.

#### xvi) Earnings Per Share

##### a) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

##### b) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### xvii) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### xviii) Other financial assets

##### a) *Classification:*

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

##### b) *Measurement:*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of

financial assets carried at fair value through profit or loss are expensed off in the statement of profit and loss. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

##### c) *Impairment of financial assets:*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

##### d) *Derecognition:*

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

##### e) *Income recognition:*

Interest income: Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.



Insurance Claims: Income from refund claim of insurance is recognized on realization of refund amount.

Dividend: Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**xix) Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented with other income.

**xx) Embedded derivatives**

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

*Embedded foreign currency derivatives*

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment

in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Company currently does not have any such derivatives which are not closely related.

**xxi) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**xxii) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are unsecured and are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**xxiii) Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**xxiv) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**xxv) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Part I of Schedule III, unless otherwise stated.

*(Note 1 of the Annual Ind AS Financial Statements)*



# GOODYEAR INDIA LIMITED

## Notes to Abridged Financial Statements as on March 31, 2017

(All amount in INR lakhs, unless otherwise stated)

S.No.	As at Mar 31, 2017	As at Mar 31, 2016	As at Jan 1, 2015
<b>2 Contingent Liabilities:</b>			
i) Guarantee to Sarva Haryana Gramin Bank *	289	449	102
ii) Other moneys for which Company is contingently liable Price Differential pending settlement	-	-	474
iii) Claims against the Company disputed and not acknowledge as debt **			
<b>A. Excise duty and Service tax matters</b>			
Cases pending before Appellate authorities in respect of which the Company/ department has filed appeals. Amounts deposited under protest Mar 31, 2017 - Rs. 518, Mar 31, 2016 - Rs. 514, Jan 1, 2015 - Rs. 386.	2,310	2,267	2,054
<b>B. Income tax matters</b>			
Cases pending before Appellate authorities/ Dispute Resolution Panel in respect of which the Company/ department has filed appeals. Amounts deposited under protest Mar 31, 2017 - Rs. 745, Mar 31, 2016 - Rs. 713, Jan 1, 2015 - Rs. 271.	6,267	5,568	3,365
<b>C. Sales tax matters</b>			
Cases pending before Appellate authorities in respect of which the Company/ department has filed appeals. Amounts deposited under protest Mar 31, 2017 - Rs. 69, Mar 31, 2016 - Rs. 74, Jan 1, 2015 - Rs. 142.	321	345	383
<b>D. Custom duty matter</b>			
Amounts deposited under protest Mar 31, 2017 - Rs. 263, Mar 31, 2016 - NIL, Jan 1, 2015 - NIL	274	-	-
<b>E. Other matters</b>			
These include claims against the Company for recovery lodged by various parties. Amounts deposited under protest Mar 31, 2017: Rs.74, Mar 31, 2016: Rs. 74, Jan 1, 2015: NIL.	312	337	294
<b>F. Haryana Local Area Development Tax (HLADT)</b>			
<p>The Haryana Government introduced the Haryana Local Area Development Tax Act, 2000 ("HLADT Act"). The liability of entry tax under the said HLADT Act was discharged by Goodyear till December 2006. In 2007, the Hon'ble Punjab and Haryana High Court held the HLADT Act was 'unconstitutional' for the reason that the legislation was not compensatory in nature as the State of Haryana did not utilize the tax for its intended use of local area development. The HLADT Act was later repealed by the State without creation of any further liability.</p> <p>In 2008, the State of Haryana introduced the "Haryana Tax on Entry of Goods into Local Areas Act, 2008" ("HET Act"), which the Hon'ble Punjab and Haryana High Court declared as 'unconstitutional'. The State did not frame and notify enabling "Entry Tax Rules" and no notice or demand was received by Goodyear under the HET Act. Accordingly, the amount of liability under the HET Act involved has not been quantified by the Company.</p> <p>All the batch of entry tax petitions emerging from various High Courts were referred to the Hon'ble Nine Judge Bench of the Hon'ble Supreme Court. On November 11, 2016, the nine-judge bench of Hon'ble Supreme Court laid down certain principles on the basis of which the State entry tax legislations were to be tested. The question involving the interpretation of the term local area and the levy of entry tax on imports from outside India were referred to be heard by the division bench of the Supreme Court for each State on merits.</p> <p>The division bench of Supreme Court on March 21, 2017 remanded the matter to the Punjab and Haryana High Court for the Haryana batch of petitions and directed that fresh petitions should be filed by the parties (including Goodyear) based on the principles laid down by the Hon'ble Supreme Court (nine Judge bench).</p> <p>In view of above, Goodyear is in the process of filing a fresh petition in the High Court to protect its interest. Further, on the basis of the legal opinion in terms of the principles laid down by the Hon'ble Supreme Court (nine Judge bench), Goodyear has a strong case.</p>			
* The Company has given financial guarantee to Sarva Haryana Gramin Bank (Bank) in respect of loans taken by its employees. In case any employee on who's behalf a guarantee has been provided by the Company, opts to leave his/ her employment, then the Company is required to pay the outstanding balance in his loan account to the Bank from the proceeds of the terminal benefits payable to him after adjusting the Company's dues. The Company is covered and is not exposed to any loss. Therefore the fair value of financial guarantee is not material.			
** These represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.			
(Note 28 of the Annual Ind AS Financial Statements)			



	As at Mar 31, 2017	As at Mar 31, 2016	As at Jan 1, 2015
<b>3 Commitments</b>			
<b>Capital commitments</b>			
Capital expenditure contracted for at the end of the reporting period but not recognised as liability is as follows:			
Property, plant and equipment*	806	869	1,015
* Net of advance Mar 31, 2017 - Rs. 86, Mar 31, 2016 - Rs.89, Jan 1, 2015 - Rs.244 (Note 29 of the Annual Ind AS Financial Statements)			

#### 4 Segment Information

The Company is engaged in the business of sales of automotive tyres, tubes and flaps. The Company sells tyres of its own brand "Goodyear". The Company is domiciled in India.

The Company has monthly review and forecasting procedure in place. The review involves the operating results of the Company as a whole except for sales and sales volume information which is available on disaggregated basis.

The Chief Operating Decision Maker (CODM), Managing Director, performs a detailed review of the operating results including cashflow, working capital, headcount of the company as a whole and sales and sales volume on disaggregated basis and thereby makes decisions about the allocation of resources among the various functions. Since the operating results of each of the functions are not considered individually by the CODM, the functions do not meet the requirements of Ind AS 108 for classification as an operating segment, hence there is only one operating segment namely, "Automotive tyres, tubes & flaps".

#### A) Information about products and services:

	Automotive tyres,tubes & flaps	
	For 12 Months ended Mar 31, 2017	For 15 Months ended Mar 31, 2016
<b>Revenue</b>		
External Customers	162,515	185,767

#### B) Information about geographical areas:

The following information's discloses Revenues from external customers:

(i) attributed to the entity's country of domicile and

(ii) attributed to all foreign countries in total from which the entity derives revenues:

	Revenue generated in India		Revenue generated from Exports		Total	
	For 12 Months ended Mar 31, 2017	For 15 Months ended Mar 31, 2016	For 12 Months ended Mar 31, 2017	For 15 Months ended Mar 31, 2016	For 12 Months ended Mar 31, 2017	For 15 Months ended Mar 31, 2016
<b>Revenue</b>						
External Customers	157,071	179,423	5,444	6,344	162,515	185,767

All the non-current assets of the Company are located in India.

#### C) Revenue of Rs. 35,278 ( Mar 31, 2016 - Rs. 32,620) are derived from a single external customer.

(Note 26 of the Annual Ind AS Financial Statements)



	As at Mar 31, 2017	As at Mar 31, 2016	As at Jan 1, 2015
<b>5 Cash and cash equivalents</b>			
Balances with banks:			
-in current account	1,220	1,121	1,485
-in Exchange Earner Foreign Currency (EEFC) account	27	107	103
Deposits with original maturity of less than three months	17,851	5,950	20,715
Cash on hand	1	2	2
Cheques on hand	477	431	769
	<u>19,576</u>	<u>7,611</u>	<u>23,074</u>

*There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.  
(Note 5 (c) of the Annual Ind AS Financial Statements)*

	As at Mar 31, 2017	As at Mar 31, 2016	As at Jan 1, 2015
<b>6 Bank balances other than cash and cash equivalents</b>			
Fixed deposits with original maturity more than 3 months but less than 12 months	25,500	25,500	25,500
Bank balances for unpaid dividend	267	242	242
	<u>25,767</u>	<u>25,742</u>	<u>25,742</u>

*(Note 5 (d) of the Annual Ind AS Financial Statements)*

	For 12 Months ended Mar 31, 2017	For 15 Months ended Mar 31, 2016
<b>7 Revenue from operations</b>		
Sales of product (including excise duty)	162,515	185,767
Other operating revenue	195	164
	<u>162,710</u>	<u>185,931</u>

Sales of product includes:  
- Manufacturing Products: Rs. 109,214 ( Mar 31, 2016 - Rs. 121,524)  
- Traded Products: Rs. 53,301 ( Mar 31, 2016 - Rs. 64,243)

*(Note 15 of the Annual Ind AS Financial Statements)*

	For 12 Months ended Mar 31, 2017	For 15 Months ended Mar 31, 2016
<b>8 Cost of material consumed</b>		
Raw materials at the beginning of the year/ period	2,305	2,562
Add: Purchases	59,125	62,195
Less: Raw materials at the end of the year/ period	4,069	2,305
	<u>57,361</u>	<u>62,452</u>

*(Note 17 (a) of the Annual Ind AS Financial Statements)*



## 9 Related Party Transactions

### (a) Parent entities

The Company is controlled by the following:

Name	Type	Place of incorporation	Ownership Interest		
			As at Mar 31, 2017	As at Mar 31, 2016	As at Jan 1, 2015
The Goodyear Tire & Rubber Company	Ultimate holding company	Akron, Ohio, USA	-	-	-
Goodyear Orient Company (Private) Limited	Holding company	Singapore	74%	74%	74%

### (b) Key management personnel compensation

	As at Mar 31, 2017	As at Mar 31, 2016
Short-term employee benefits	1,246	1,551
Post-employee benefits	87	145
Employee share based payment	16	37
<b>Total compensation</b>	<b>1,349</b>	<b>1,733</b>

For one director, compensation amounting to Rs. 92.66 is subject to approval by shareholders in the ensuing annual general meeting.

### (c) i) List of related parties:

Fellow subsidiaries with whom the Company had transactions during the year/ period:

- i) Goodyear International Corporation
- ii) Compania Goodyear Del Peru SA
- iii) Goodyear & Dunlop Tyres (Australia) Pty Limited
- iv) Goodyear & Dunlop Tyres (Nz) Limited
- v) Goodyear (Thailand) Public Company Limited
- vi) Goodyear Dalian Tire Company Limited
- vii) Goodyear De Chile S.A.I.C
- viii) Goodyear Do Brasil Produtos De Borracha Ltda.
- ix) Goodyear Dunlop Tires France
- x) Goodyear Dunlop Tires Operations SA
- xi) Goodyear Earthmover Pty Limited
- xii) Goodyear Malaysia Berhad
- xiii) Goodyear Middle East, FZE
- xiv) Goodyear Philippines Inc.
- xv) Goodyear Regional Business Services Inc.
- xvi) Goodyear SA (Luxembourg)
- xvii) Goodyear Singapore Tyres
- xviii) Goodyear South Africa (Pty) Limited
- xix) Goodyear South Asia Tyres Private Limited
- xx) Nippon Giant Tire Co. Ltd.
- xxi) PT. Goodyear Indonesia TBK
- xxii) TC. Debica S.A.

Other related parties:

- i) Provident Fund of Goodyear India Limited
- ii) Trustee Goodyear India Limited Factory Provident Fund



(c) (ii) Transactions with related party

	For 12 Months ended Mar 31, 2017	For 15 Months ended Mar 31, 2016
<b>The Goodyear Tire &amp; Rubber Company</b> (Ultimate Holding Company)		
- Purchase of finished goods	1	508
- Purchase of raw materials and spare parts	749	793
- Sale of Finished goods	1	-
- Purchase of capital items	384	295
- Expenditure for trade mark fees	1,038	1,182
- Expense reimbursed to ultimate holding company	143	125
- Recovery for Deputation of Employees	82	-
- Reimbursement of expense by ultimate holding company	8	8
- Expenditure for regional service charges	5,523	6,686
 <b>Goodyear Orient Company (Private) Limited</b> (Holding Company)		
- Dividend paid	2,048	1,707
 <b>Fellow subsidiaries:</b>		
<b>Purchase of finished goods</b>		
- Goodyear South Asia Tyres Private Limited #	29,482	34,136
- Goodyear Dalian Tire Company Limited	258	222
- Goodyear (Thailand) Public Company Limited	26	482
- PT. Goodyear Indonesia TBK	1,828	2,268
- Goodyear Dunlop Tires Operations SA	455	217
- Goodyear Malaysia Berhad	72	203
- Goodyear Earthmover Pty Limited	663	3,236
- Goodyear Do Brasil Produtos De Borracha Ltda.	21	-
- Goodyear Singapore Tyres	-	2
- Goodyear International Corporation	-	6
# Net of recovery for replacement loss Rs. 792 (Rs. 999)		
 <b>Purchase of raw materials and spare parts</b>		
- Goodyear South Asia Tyres Private Limited	28	71
- Goodyear Dalian Tire Company Limited	1	-
- Goodyear (Thailand) Public Company Limited	-	*
- Goodyear Do Brasil Produtos De Borracha Ltda.	-	1
- Goodyear SA (Luxembourg)	1	1
- TC Debica S.A.	1	2
 <b>Sale of finished goods</b>		
- Goodyear & Dunlop Tyres (Australia) Pty Limited	74	146
- Compania Goodyear Del Peru SA	48	34
- Goodyear Middle East, FZE	129	143
- Goodyear South Africa (Pty) Limited	50	22



	For 12 Months ended Mar 31, 2017	For 15 Months ended Mar 31, 2016
- Goodyear Singapore Tyres	93	49
- Goodyear International Corporation	129	299
- Goodyear Dunlop Tires Operations SA	349	7
- Goodyear De Chile S.A.I.C	21	-
- Goodyear & Dunlop Tyres (Nz) Limited	8	16
- Goodyear (Thailand) Public Company Limited	2	-
- Goodyear Philippines Inc.	13	15
- Nippon Giant Tire Co. Ltd.	1	-
- Goodyear Do Brasil Produtos De Borracha Ltda.	-	*
<b>Purchase of capital items</b>		
- Goodyear International Corporation	295	143
- Goodyear Malaysia Berhad	14	-
- Goodyear South Asia Tyres Private Limited	-	53
- Goodyear Dalian Tire Company Limited	66	-
- PT. Goodyear Indonesia Tbk	-	*
<b>Recovery for deputation of employees</b>		
- Goodyear Singapore Tyres	605	721
- Goodyear Malaysia Berhad	34	114
- Goodyear (Thailand) Public Company Limited	79	206
- Goodyear Dalian Tire Company Limited	30	48
- Goodyear SA (Luxembourg)	67	85
- Goodyear & Dunlop Tyres (Australia) Pty Limited	63	67
- Goodyear Regional Business Services Inc.	-	1
<b>Payment for deputation of employees</b>		
- Goodyear Malaysia Berhad	-	75
- Goodyear De Chile S.A.I.C	319	226
<b>Sale of raw materials and spare parts and other charges</b>		
- Goodyear South Asia Tyres Private Limited	23	205
<b>Expenses recovered from related parties</b>		
- Goodyear Malaysia Berhad	-	1
- Goodyear Singapore Tyres	32	39
- Goodyear South Asia Tyres Private Limited #	506	581
- Goodyear SA (Luxembourg)	49	34
- Goodyear Regional Business Services Inc.	-	16
- Goodyear Earthmover Pty Limited	-	*
- Goodyear (Thailand) Public Company Limited	-	2
- Goodyear & Dunlop Tyres (Australia) Pty Limited	-	1

# Net of reimbursement Rs. 102 (Rs. 117)



	For 12 Months ended Mar 31, 2017	For 15 Months ended Mar 31, 2016
<b>Reimbursement of expenses to related parties</b>		
- Goodyear (Thailand) Public Company Limited	4	2
- Goodyear Dalian Tire Company Limited	7	30
- Goodyear Malaysia Berhad	-	15
- PT. Goodyear Indonesia TBK	1	8
- Goodyear Regional Business Services Inc.	37	33
- Goodyear Dunlop Tires Operations SA	*	*
<b>Commission received</b>		
- Goodyear Earthmover Pty Limited	95	-
<b>Contribution of provident fund</b>		
- Provident Fund of Goodyear India Limited	506	593
- Trustee Goodyear India Limited Factory Provident Fund	536	588

(d) **Outstanding balances arising from sales/ purchase of goods and services**

The following balances are outstanding at the end of the reporting period in relation to transactions with related party:

	As at Mar 31, 2017	As at Mar 31, 2016	As at Jan 1, 2015
<b>Trade Payables</b>			
<b>Ultimate holding company :</b>			
The Goodyear Tire & Rubber Company	1,198	1,165	1,178
<b>Fellow subsidiaries :</b>			
Goodyear South Asia Tyres Private Limited	3,921	3,524	3,627
Goodyear Dunlop Tires Operations SA	82	46	36
Goodyear Earthmover Pty Limited	-	469	204
PT. Goodyear Indonesia TBK	402	307	133
Goodyear Dunlop Tires France	-	-	-
Goodyear Regional Business Services Inc.	10	12	-
Goodyear De Chile S.A.I.C.	102	120	-
Goodyear Dalian Tire Company	94	46	61
Goodyear (Thailand) Public Company Limited	2	5	6
Goodyear Malaysia Berhad	16	4	172
Goodyear International Corporation	-	-	-
TC Debica S.A.	-	1	*
Goodyear Do Brasil Produtos De Borracha Ltda.	-	-	*
Goodyear SA (Luxembourg)	-	-	1
<b>Total trade payables to related parties</b>	<b>5,827</b>	<b>5,699</b>	<b>5,418</b>
<b>Creditors for Capital items</b>			
<b>Ultimate holding company :</b>			
The Goodyear Tire & Rubber Company	302	4	-



	As at Mar 31, 2017	As at Mar 31, 2016	As at Jan 1, 2015
<b>Fellow subsidiaries :</b>			
Goodyear International Corporation	114	-	85
Goodyear South Asia Tyres Private Limited	-	45	-
PT. Goodyear Indonesia TBK	-	-	-
<b>Total payables for capital items to related parties</b>	<b>416</b>	<b>49</b>	<b>85</b>
<b>Trade Receivables</b>			
<b>Fellow subsidiaries :</b>			
Goodyear Middle East, FZE	7	-	-
Goodyear & Dunlop Tyres (Australia) Pty Limited	-	11	8
Goodyear International Corporation	81	27	84
Goodyear Philippines Inc.	-	-	33
Goodyear Singapore Tyres	-	13	48
Goodyear South Asia Tyres Private Limited	-	116	9
Goodyear South Africa (Pty) Limited	11	6	-
Goodyear & Dunlop Tyres (Nz) Limited	-	8	-
Goodyear Dunlop Tires Operations Sa	39	-	-
Goodyear De Chile S.A.I.C.	20	-	-
Compania Goodyear Del Peru Sa	-	-	20
<b>Total trade receivable from related parties</b>	<b>158</b>	<b>181</b>	<b>202</b>
<b>Other Receivables</b>			
<b>Ultimate holding company :</b>			
The Goodyear Tire & Rubber Company	10	-	1
<b>Fellow subsidiaries :</b>			
Goodyear Singapore Tyres	328	323	58
Goodyear (Thailand) Public Company Limited	35	33	11
Goodyear SA (Luxembourg)	25	19	17
Goodyear & Dunlop Tyres (Australia) Pty Limited	14	12	13
Goodyear Regional Business Services Inc.	1	2	-
Goodyear Earthmover Pty Limited	10	-	-
Goodyear Dalian Tire Company	9	-	8
Goodyear Malaysia Berhad	-	20	5
Goodyear South Asia Tyres Private Limited	166	155	126
<b>Total other receivable from related parties</b>	<b>598</b>	<b>564</b>	<b>239</b>

\* Amount below the rounding off norm adopted by the company.

(e) **Terms and conditions**

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

All other transactions were made on normal commercial terms and conditions and at arm's length.

All outstanding balances are unsecured and are repayable in cash.

(Note 27 of the Annual Ind AS Financial Statements)



10 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) based on the information available with the Company:

	As at Mar 31, 2017	As at Mar 31, 2016	As at Jan 1, 2015
i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	248	217	289
ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	-	*	-
iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	35	56	-
iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-	-
v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	*	-	-
vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	*	-
vii) Further interest remaining due and payable for earlier years	-	-	-

\* Amount below the rounding off norm adopted by the Company.

(Note 33 of the Annual Ind AS Financial Statements)

11 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

**Amendment to Ind AS 7:**

Liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

(Note 34 of the Annual Ind AS Financial Statements)

12 The Financial Year of the Company was changed during last reporting period from a 'January-December' year to an 'April-March' year, in accordance with the provisions of the Companies Act, 2013. Accordingly, the financial statements of the Company for the current year ended March 31, 2017 are for a period of twelve months, from April 1, 2016 to March 31, 2017 and are therefore not comparable with those of the previous period ended March 31, 2016 as those were for a period of fifteen months, from January 1, 2015 to March 31, 2016.

(Note 35 of the Annual Ind AS Financial Statements)



### 13 First time adoption of Ind AS

#### Transition to Ind AS

These are the Company's first financial statement prepared in accordance with Ind AS.

The accounting policies set out in Note 1, have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the 15 month ended March 31, 2016 and in the preparation of opening Ind AS balance sheet as at January 1, 2015. In preparing its opening balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes:

#### A.1 Exemptions and exceptions availed

##### *Ind AS optional exemptions*

- A.1.1 *Deemed cost:* Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying values as at January 1, 2015.

- A.1.2 *Leases:* Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected not to be material.

The Company has elected to apply this exemption for such contracts/ arrangements.

- A.1.3 *Decommissioning Liabilities included in the cost of property, plant and equipment:* An entity need not to comply with the requirements of Appendix A of Ind AS 16 i.e. Changes in Existing Decommissioning, Restoration and Similar Liabilities for liabilities occurred before the date of transition to Ind AS. An entity can measure the liability as the date of transition. The Company has elected to measure such liabilities as on the date of transition and on the basis of such evaluations no liabilities need to be recognised.

#### A.2 Ind AS mandatory exceptions

- A.2.1 *De-recognition of financial assets and liabilities:* Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

- A.2.2 *Classification and measurement of financial assets:* Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

- A.2.3 *Impairment of financial assets:* An entity shall determine the approximate credit risk at the date that financial instruments were initially recognized and compare that to the credit risk at the date of transition to Ind AS. This should be based on reasonable and supportable information that is available without undue cost or effort. If an entity is unable to make this determination without undue cost or effort, it shall recognise a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognized.

The Company has availed this exception to analyse credit risk of the financial assets as on the date of transition instead of the date of initial recognition.

- A.2.4 *Embedded derivatives:* Entity shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative either on the basis of conditions that existed on the date of contract or on the date of significant modification of the contract, whichever is later.

The Company has elected to analyse the requirements to separate the embedded derivative from host contract and account for as a derivative on the date of contract.



# GOODYEAR INDIA LIMITED

## Notes to Abridged Financial Statements as on March 31, 2017

(All amount in INR lakhs, unless otherwise stated)

### B Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliation from previous GAAP to Ind AS

Reconciliation of equity as at the date of transition (January 1, 2015)

	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
(1) <b>Non-Current Assets</b>				
(a) Property, plant and equipment	1 & 10	23,964	81	24,045
(b) Capital work in progress		1,709	-	1,709
(c) Other intangible assets		1	-	1
(d) Financial assets				
(i) Other financial assets	2	606	(100)	506
(e) Other non-current assets	2	866	85	951
(f) Deferred tax assets		821	69	890
(g) Current tax assets (net)		491	-	491
<b>Total non-current assets</b>		<b>28,458</b>	<b>135</b>	<b>28,593</b>
(2) <b>Current Assets</b>				
(a) Inventories	1	12,336	(81)	12,255
(b) Financial assets				
(i) Trade receivables		11,213	-	11,213
(ii) Cash and cash equivalents		23,074	-	23,074
(iii) Bank balances other than (ii) above		13,425	-	13,425
(iv) Other financial assets		902	-	902
(c) Other current assets		742	-	742
<b>Total current assets</b>		<b>61,692</b>	<b>(81)</b>	<b>61,611</b>
<b>Total assets</b>		<b>90,150</b>	<b>54</b>	<b>90,204</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital		2,307	-	2,307
(b) Other equity				
(i) Reserves and surplus	2 - 4 & 6	47,376	2,553	49,929
<b>Total equity</b>		<b>49,683</b>	<b>2,553</b>	<b>52,236</b>
<b>Liabilities</b>				
(1) <b>Non-Current Liabilities</b>				
(a) Provisions		1,650	-	1,650
(b) Deferred tax liabilities	4	2,178	94	2,272
(c) Other non-current liabilities		592	-	592
<b>Total non-current liabilities</b>		<b>4,420</b>	<b>94</b>	<b>4,514</b>
(2) <b>Current Liabilities</b>				
(a) Financial liabilities				
(i) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		289	-	289
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5	24,364	(189)	24,175
(ii) Other financial liabilities		4,358	-	4,358
(b) Provisions	3 & 6	3,304	(2,593)	711
(c) Other current liabilities	5	3,732	189	3,921
<b>Total current liabilities</b>		<b>36,047</b>	<b>(2,593)</b>	<b>33,454</b>
<b>Total liabilities</b>		<b>40,467</b>	<b>(2,499)</b>	<b>37,968</b>
<b>Total equity and liabilities</b>		<b>90,150</b>	<b>54</b>	<b>90,204</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



# GOODYEAR INDIA LIMITED

## Notes to Abridged Financial Statements as on March 31, 2017

(All amount in INR lakhs, unless otherwise stated)

### Reconciliation of equity as at March 31, 2016

	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
(1) <b>Non-Current Assets</b>				
(a) Property, plant and equipment	1 & 10	22,037	93	22,130
(b) Capital work in progress		2,890	-	2,890
(c) Other intangible assets		7	-	7
(d) Financial assets				-
(i) Other financial assets	2	752	(69)	683
(e) Other non-current assets	2	869	56	925
(f) Deferred tax assets		999	49	1,048
(g) Current tax assets (net)		730	-	730
<b>Total non-current assets</b>		<b>28,284</b>	<b>129</b>	<b>28,413</b>
(2) <b>Current Assets</b>				
(a) Inventories	1	12,861	(109)	12,752
(b) Financial assets				
(i) Trade receivables		15,939	-	15,939
(ii) Cash and cash equivalents		7,611	-	7,611
(iii) Bank balances other than (ii) above		25,742	-	25,742
(iv) Other financial assets		1,117	-	1,117
(c) Other current assets		1,922	-	1,922
<b>Total current assets</b>		<b>65,192</b>	<b>(109)</b>	<b>65,083</b>
<b>Total assets</b>		<b>93,476</b>	<b>20</b>	<b>93,496</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital		2,307	-	2,307
(b) Other equity				
(i) Reserves and surplus	1 - 4 & 6	55,918	3,187	59,105
<b>Total equity</b>		<b>58,225</b>	<b>3,187</b>	<b>61,412</b>
<b>Liabilities</b>				
(1) <b>Non-Current Liabilities</b>				
(a) Provisions	3	1,865	12	1,877
(b) Deferred tax liabilities	4	1,999	51	2,050
(c) Other non-current liabilities		179	-	179
<b>Total non-current liabilities</b>		<b>4,043</b>	<b>63</b>	<b>4,106</b>
(2) <b>Current Liabilities</b>				
(a) Financial liabilities				
(i) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		217	-	217
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5	19,784	(2)	19,782
(ii) Other financial liabilities		4,568	-	4,568
(b) Provisions	3 & 6	3,886	(3,230)	656
(c) Other current liabilities	5	2,753	2	2,755
<b>Total current liabilities</b>		<b>31,208</b>	<b>(3,230)</b>	<b>27,978</b>
<b>Total liabilities</b>		<b>35,251</b>	<b>(3,167)</b>	<b>32,084</b>
<b>Total equity and liabilities</b>		<b>93,476</b>	<b>20</b>	<b>93,496</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



# GOODYEAR INDIA LIMITED

## Notes to Abridged Financial Statements as on March 31, 2017

(All amount in INR lakhs, unless otherwise stated)

### Reconciliation of total comprehensive income for the period ended March 31, 2016

	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
Revenue from operations	5 & 8	187,775	(1,844)	185,931
Less: Excise duty	7	(12,898)	12,898	-
Other Income	2	3,735	31	3,766
<b>Total Income</b>		<b>178,612</b>	<b>11,085</b>	<b>189,697</b>
<b>Expenses</b>				
Cost of materials consumed		62,452	-	62,452
Purchases of stock-in-trade		49,535	-	49,535
Changes in inventories of work-in-progress, stock-in-trade and finished goods		(468)	-	(468)
Excise duty	7	-	12,898	12,898
Employee benefits expense	3 & 9	14,017	(72)	13,945
Finance costs		324	-	324
Depreciation and amortisation expense	1 & 11	4,053	597	4,650
Other expenses	1, 2 & 5 & 8	29,766	(1,832)	27,934
<b>Total expenses</b>		<b>159,679</b>	<b>11,591</b>	<b>171,270</b>
<b>Profit before tax</b>		<b>18,933</b>	<b>(506)</b>	<b>18,427</b>
<b>Income tax expense</b>				
-Current tax		6,826	-	6,826
-Deferred tax	4	(203)	(172)	(375)
<b>Total tax expense</b>		<b>6,623</b>	<b>(172)</b>	<b>6,451</b>
<b>Profit for the year/ period</b>		<b>12,310</b>	<b>(334)</b>	<b>11,976</b>
<b>Other comprehensive income</b>	9 & 13	-	(10)	(10)
<b>Total comprehensive income for the year/ period</b>		<b>12,310</b>	<b>(344)</b>	<b>11,966</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

### Reconciliation of total equity as at March 31, 2016 and January 1, 2015

	Notes to first time adoption	As at Mar 31, 2016	As at Jan 1, 2015
Total equity (shareholders fund) as per previous GAAP		58,225	49,683
<b>Adjustments:</b>			
Net impact of security deposits at amortised cost	2	(13)	(15)
Re-measurement loss on obligations under Share-based payment	3	(128)	(186)
Depreciation on spares capitalised	1	(16)	-
Proposed dividend	6	5,075	2,307
Dividend distribution tax on proposed dividend	6	1,051	472
Dividend paid	6	(2,307)	-
Dividend distribution tax on dividend paid	6	(472)	-
<b>Deferred tax on:</b>	4		
-Net impact of security deposits at amortised cost		4	5
-Re-measurement loss on obligations under Share-based payment		44	64
-Depreciation on spares capitalised		5	-
-Revaluation surplus		(56)	(94)
<b>Total adjustments</b>		<b>3,187</b>	<b>2,553</b>
<b>Total equity as per Ind AS</b>		<b>61,412</b>	<b>52,236</b>



# GOODYEAR INDIA LIMITED

## Notes to Abridged Financial Statements as on March 31, 2017

(All amount in INR lakhs, unless otherwise stated)

### Reconciliation of total comprehensive income for the period ended March 31, 2016

	Notes to first time adoption	As at Mar 31, 2016
Profit after tax as per previous GAAP		12,310
<i>Adjustments:</i>		
Interest income on security deposit	2	31
Impact of change in useful life of property, plant and equipment	11	(564)
Re-measurement loss on obligations under Share-based payment	3	58
Reclassification of actuarial loss on defined benefit plans to Other Comprehensive Income	9	15
Depreciation on spares capitalised	1	(16)
Effect of measurement of security deposits at amortised cost using effective interest rate	2	(29)
Revenue recognised on redemption of reward points by the customers	5	426
Expense recognised on redemption to reward points by the customers	5	(426)
<i>Deferred tax expense on:</i>	4	
-Impact of change in useful life of property, plant and equipment		192
-Re-measurement loss on obligations under Share-based payment		(20)
-Reclassification of actuarial loss on defined benefit plans to Other Comprehensive Income		(5)
-Depreciation on spares capitalised		5
-Effect of measurement of security deposits at amortised cost using effective interest rate		(1)
<b>Total adjustments</b>		<b>(334)</b>
<b>Profit after tax as per Ind AS</b>		<b>11,976</b>
<b>Other comprehensive income</b>		<b>(10)</b>
<b>Total comprehensive income as per Ind AS</b>		<b>11,966</b>

### Impact of Ind AS adoption of cash flows for the period ended March 31, 2016

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	888	45	933
Net cash flow from investing activities	(13,248)	(45)	(13,293)
Net cash flow from financing activities	(3,103)	-	(3,103)
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>(15,463)</b>		<b>(15,463)</b>
Cash and cash equivalent as at January 1, 2015	23,074	-	23,074
<b>Cash and cash equivalent as at March 31, 2016</b>	<b>7,611</b>		<b>7,611</b>

#### Notes to first time adoption

#### Note 1 Capitalisation of spare parts

The previous GAAP required spares (other than spares used in connection with an item of fixed asset with irregular use) to be accounted for as an inventory and to be charged to the statement of profit and loss as and when consumed. Whereas under Ind AS, spares are recognised as property, plant and equipment (PPE) when they meet the recognition criteria under Ind AS 16. Due to this change in accounting standard, certain spare parts have been capitalised as PPE and accordingly depreciation has been charged on such assets.

Spares capitalised as on January 1, 2015 and during the fifteen month period ending March 31, 2016 amounted to Rs. 81 and Rs 45, respectively. Additional depreciation charged during the fifteen month period ending March 31, 2016 amounted to Rs 33.

#### Note 2 Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term ) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair cost. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transactional value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by



Rs.69 as at March 31, 2016 (Rs.100 as at January 1, 2015). The prepaid rent increased by Rs. 56 as at March 31, 2016 (Rs. 85 as at January 1, 2015). Total equity decreased by Rs.15 as on January 1, 2015. The profit for the period and the total equity as at March 31, 2016 decreased by Rs. 2 due to amortisation of the prepaid rent of Rs. 29 which was partially off-set by the notional interest income of Rs. 31 recognised on security deposits.

#### **Note 3 Share-based payments**

Under Ind AS, Liabilities for the stock-based payments (Stock Appreciation Right and Restricted Stock Units) are recognised as employee benefit expenses over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as under Provisions in the balance sheet. Consequently, a provision of Rs.186 was recognised as on January 1, 2015 with corresponding impact in retained earnings. Rs. 58 was credited in the statement of profit and loss for the fifteen month period ended March 31, 2016.

#### **Note 4 Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12, "Income taxes", requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 has resulted in recognition of deferred tax on new temporary differences, which was not required under Indian GAAP. In addition, the various transitional adjustments lead to additional temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact was increase in deferred tax assets/(liabilities) is of (Rs. 25), whereas as on March 31, 2016, the net impact was increase in deferred tax assets/(liabilities) is of (Rs. 2).

#### **Note 5 Deferred revenue - Customer loyalty program**

The Company operates a customer reward points program. The programme allows customers to accumulate points on purchase of tyres. The points can be redeemed by the customers for free products.

Under the previous GAAP, the Company created a provision towards its liability under the programme. Under Ind AS, the consideration allocated to the customer reward points has been deferred and will be recognised as revenue when the reward points are redeemed or lapsed.

On the date of transition i.e. January 1, 2015, deferred revenue of Rs. 189 was recognised with corresponding decrease in trade payables. For the year ended March 31, 2016, total revenue and total expense of Rs. 426 were recognised.

#### **Note 6 Proposed dividend**

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 3,347 as at March 31, 2016 (January 1, 2015 – Rs. 2,779) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity fluctuated by an equivalent amount.

#### **Note 7 Excise duty**

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the fifteen month ended March 31, 2016 by Rs. 12,898. There is no impact on the total equity and profit.

#### **Note 8 Cash Discount**

Under Ind AS, all cash discounts are netted off from revenue, whereas in earlier Indian GAAP, cash discount was shown as part of other expenses. This change has resulted in decrease in total revenue and total expenses by Rs. 2,270. There is no impact on total equity and profit.

#### **Note 9 Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by Rs. 15. There is no impact on total equity.



## Note 10 Lease Assets

Under previous GAAP, arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements e.g. job work arrangements. Under Ind AS, any arrangements (even if not legally structured as lease) which conveys a right to use an assets in return for a payment or series of payments are identified as leases provided certain conditions are met. In case of such arrangements are determined to be in nature of leases, such arrangements are required to be classified into finance or operating leases as per requirements of Ind AS 17, Leases.

The Company had entered into an agreement in the year 1997 for purchase of nitrogen gas wherein a gas plant was built in within the premises of the Company. The said plant was assessed to be a finance lease on the date of transition to Ind AS. The life of the plant under consideration has expired on the transition date, therefore, gross block and accumulated depreciation of Rs. 615 was recognised in plant and machinery. There is no impact on the total equity.

## Note 11 Change in Useful life

Under previous GAAP, the estimated useful lives of certain fixed assets was revised in accordance with Schedule II to the Companies Act 2013, with effect from January 1, 2015. Pursuant to the above mentioned changes in useful life of assets, for certain assets who's revised useful life was over as on December 31, 2014, the net book value of Rs. 410 (net of deferred tax of Rs. 154) was deducted from the retained earnings and Rs. 110 relating to fixed assets revalued earlier, was released from revaluation reserve to general reserve.

Under Ind AS, as the Company has opted for exemption under paragraph D7AA of Ind AS 101 and also elected the cost model under Ind AS 16 for subsequent measurement of Property, Plant and Equipment, this change in accounting estimate has been accounted for prospectively and accordingly Rs. 564 has been charged to the statement of profit or loss for the fifteen months period ended March 31, 2016. The revaluation reserve recognised under previous GAAP has been transferred to 'Other equity-revaluation' on the date of transition to Ind AS.

## Note 12 Retained earnings

Retained earnings as at January 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

## Note 13 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

*(Note 36 of the Annual Ind AS Financial Statements)*

For Price Waterhouse & Co Bangalore LLP  
Firm Registration No. 007567S/ S-200012  
Chartered Accountants

Abhishek Rara  
Partner  
Membership Number: 077779

Place: New Delhi  
Date: May 26, 2017

For and on behalf of the Board

Rajeev Anand  
Vice Chairman &  
Managing Director  
DIN: 02519876

R V Gupta  
Director  
DIN: 00017410

Sudha Ravi  
Director  
DIN: 06764496

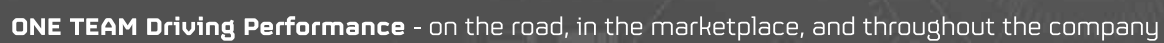
Leopoldo Estefano  
Maggiolo Gonzalez  
Finance Director  
DIN: 07318939

C Dasgupta  
Director  
DIN: 00381799

Pankaj Gupta  
Company Secretary



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# HEALTHY INDIA PROGRAM



# SAFER ROADS, SAFER YOU



**GOODYEAR**



## **Goodyear India Limited**

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