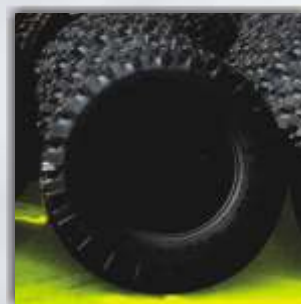


ANNUAL REPORT 2010



FOSTERING THE SPIRIT OF INNOVATION





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It's been a Goodyear!

MESSAGE FROM THE MD

Dear Friends,

2010 was a record breaking, award winning, and a very satisfying year for Goodyear India!

We performed our best despite the difficult market conditions. We continued to rely on our proven strategic principles, adhered to our fundamentals and successfully steered through the year.

The Indian economy has been experiencing strong growth, with the Central Economic Advisory (CEA) expecting up to 9% GDP growth for 2011-2012. The strong economy, coupled with improving consumer confidence and a good monsoon, helped spark strong demand for tractors and passenger vehicles, the primary focus segments for us at Goodyear India.

In 2010, our focus was on strengthening our commitment to the customers in terms of bringing new products, improved interaction, and enhanced services. Our dealers and end consumers were upbeat on the new products launched- which included a new farm tyre, 'Vajra Super' and also 'Packaged Tubes' for farm range of tyres. These new products, supported by our efficient supply chain network, helped us

increase our customer base and market presence.

Our company has always demonstrated commitment to innovation and staying 'One Revolution Ahead'. At Ballabgarh, we have successfully developed the manufacturing capabilities for Radial Farm Tyres which will be launched in 2011. We will be amongst the first in the industry to bring this technology to the market. It's our ability to drive relevant innovations across our product portfolio which ensures our continued business success.

Rising raw material cost was a concern and did impact the business but we remained committed to bringing in new processes & technological improvements to keep the impact to the minimal, thus maintaining the earnings at a healthy level.

We received several awards in 2010 from our most elite customers such as Mahindra & Mahindra, Maruti Suzuki, Toyota, M&M Swaraj and International Tractors Ltd.

I also take great pride in the fact that Goodyear India has been awarded the prestigious "Superbrand" status for 2010-2011. This recognition speaks of the business excellence of Goodyear as a brand,

and is a rewarding reflection of the quality of the products and services delivered by us.

Going forward, in 2011 we will continue to focus on our key business principles which are Profitable Market Share, Earnings/Cash, Customer Satisfaction and Employee Engagement. Our endeavor has always been to protect our stakeholders' interest as a prime driver of business.

Our associates are our most valued assets and we shall continue to invest in enhancing their skill set as I strongly believe that a highly engaged, inspired and disciplined workforce will bring the best results and help us reach our objectives.

I would like to thank you all, my valued shareholders, for the support you have given to our company, for an incredible run all these years & for making Goodyear so successful. Wish you and your families all the very best for 2011 and beyond.

RAJEEV ANAND
VICE CHAIRMAN & MANAGING DIRECTOR

The background of the entire page is a photograph of a Goodyear tire in the foreground, with a road and green foliage in the background. The tire has 'GOODYEAR' and 'BIOSOPRENE' visible on its sidewall. The road curves into the distance, flanked by lush green trees.

01

BEHIND THE WHEEL

Board of Directors

A horizontal bar with diagonal stripes in blue, green, yellow, and red.

ON THE GREEN TEAM

In 2010, Goodyear's breakthrough concept tyre made with Biolsoprene™ technology that uses renewable biomass, was awarded the prestigious "Environmental Achievement of the Year Award".



BEHIND THE WHEEL



**MR. PIERRE ERIC
COHADE**
Chairman

Mr. Pierre Eric Cohade is president of The Goodyear Tire & Rubber Company's Asia Pacific region. Mr. Cohade was named to the position in October 2004. Prior to joining Goodyear, Mr. Cohade worked globally in 4 continents where he accumulated a proven track record in turning around businesses, building organizations and placing them on a growth trajectory.

Mr. Cohade started to work for Eastman Kodak in the USA as a financial analyst in 1985 and subsequently held business management and executive positions in Brazil, Mexico, the United States, Singapore and Switzerland. Mr. Cohade was named General Manager of Worldwide Consumer Films in 1996 and assumed leadership of the Asia Pacific region for Kodak's Consumer Imaging business in 1999.

Mr. Cohade was named Chairman of Kodak's Europe, Africa, Middle East and Russia Region in 2001. In 2003, Groupe Danone chose Mr. Cohade to run its global Water and Beverage division, based in Paris, France. Mr. Cohade refocused the business to ensure that Danone remains a global leader by improving margin and either holding or gaining market share in all markets targeted by Groupe Danone's competition.

Mr. Cohade was governor of the American Chamber of Commerce in Shanghai and is a member of the Women's Forum Global Advisory Council. In 2008, Mr. Cohade was awarded the "Magnolia Award" from the Shanghai Municipal Government for his civic leadership and business contributions to Shanghai's development. He was named Overseas Economic Advisor to the Mayor of Dalian. Mr. Cohade received a degree in business management from the CERAM School of Business in Sophia-Antipolis, France, in 1984 and an MBA from the Penn State University in 1985.

A native of Barcelonnette, France, Pierre speaks French, English, Portuguese and Spanish.



MR. RAJEEV ANAND
Vice Chairman and
Managing Director

Mr. Rajeev Anand has been associated with the Company for over 29 years, in various executive capacities, including as Manufacturing Director - ASEAN & India and Director Manufacturing & Strategic Initiatives - India. Prior to his appointment as whole time Managing Director of the Company, Mr. Anand was holding the position of Chief Operations Officer.



MR. 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.


MR. 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, a Distinguished Fellow at TERI, and a member of the UN Committee on Economic, Social and Cultural Rights. He was awarded the Padma Bhushan by the President of India.


MR. BRAD LAKHIA

ALTERNATE DIRECTOR

Mr. Brad Lakhia is the Alternate Director to Mr. Pierre E Cohade of the Company. Mr. Lakhia, aged 38 years, is a Bachelor of Science in Business Administration Accounting, and an MBA - Finance concentration. Mr Lakhia is also a Certified Public Accountant, non - practicing (Ohio). He has more than 13 years of experience across a broad array of global finance functions and businesses in the areas of treasury, accounting, financial planning, and divisional finance.


MR. RAJIV LOCHAN JAIN

Director

Mr. Rajiv Lochan Jain is a Chemical Engineer from IIT Kharagpur and an MBA from the Whittemore School of Business and Economics, UNH (USA). Mr. Jain was a member on the Board of ICI India Limited, for over 12 years. Mr. Jain was the Managing Director from April 2003 to May 2009 and prior to this role he was the Chief Operating Officer and Finance Director. Mr. Jain successfully led the portfolio reshaping of ICI India from a diversified Company to a focused player in the Paints business. Mr. Jain was also the Chairman of both ICI's Research Company in India and the joint-venture company of ICI and Orica, Australia.


MR. JEAN PHILIPPE LECERF

CHIEF FINANCIAL OFFICER (CFO)

Mr. Jean Philippe Lecerf is Chief Financial Officer (CFO) of the Company. Mr. Lecerf is a Finance Executive with over 23 years of experience in 7 countries. A Certified Public Accountant with a broad international background, Mr. Lecerf has a combination of strong accounting and finance expertise with an in depth knowledge of business dynamics. He has a balanced exposure to both start up businesses and large established operations, and an excellent ability to adapt to complex, demanding & volatile environments.


MR. YASHWANT SINGH YADAV

Director - HR & Corporate Affairs

Mr. Yashwant Singh Yadav, aged 53 years, is a Bachelor in Law and an MBA with specialization in Human Resources. He has more than 28 years of professional and diverse experience in the entire gamut of Human Resources Management with large multi-national and Indian organizations including Ballarpur Industries, Goodyear India, Escorts Ltd. and General Motors India at leadership levels.

▮ **HEAD LEGAL & COMPANY SECRETARY**
MR. PANKAJ GUPTA

▮ **AUDITORS**
Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

▮ **COST AUDITORS**
Dr. Ashok K. Agarwal
Membership Number : M-5691



The background of the entire page is a photograph of two cars driving on a road. In the foreground, a white car is partially visible, with "ASSURANCE FUEL MAX" written on its side. Behind it, a silver car is driving. The road is a light-colored, textured surface, and the background is a hazy, orange-brown landscape.

02

WHERE WE'RE COMING FROM Goodyear As A Brand

A horizontal bar with a rainbow-like color gradient, transitioning from purple on the left to yellow on the right.

ON THE ROAD TO INNOVATION



In 2009, Popular Science magazine named Assurance Fuel Max tyre one of the "100 Most Innovative Products of the year" and it became the fastest tyre in Goodyear's history to surpass sales of more than 1 million.

WHERE WE'RE COMING FROM

A BRAND, A LEGACY

For over a hundred years, Goodyear has been at the forefront of tyre technology. Through advanced research and manufacturing practices, Goodyear continues to push the boundaries of innovation and remain One Revolution Ahead.

Goodyear's most recent achievement in 2010, was when the National Aeronautics and Space Administration (NASA) and The Goodyear Tire & Rubber Company were honoured with the R&D 100 Award for an airless tyre capable of transporting large, long-range vehicles across the surface of celestial bodies such as the Moon or Mars. The 44th Annual R&D 100 Awards ceremony, billed as the "Oscars of Innovation", was held in Orlando, Florida. The airless tyre is constructed out of 800 load bearing springs. It is designed to carry much heavier vehicles over much greater distances than the wire mesh tyre (which Goodyear also contributed to) that was previously used on the Apollo Lunar Roving Vehicle (LRV).



In 2010, NASA and Goodyear were honoured with the R&D 100 Award for an airless tyre capable of transporting large, long-range vehicles across the surface of celestial bodies such as the Moon or Mars.

In 2009, Popular Science magazine named Assurance Fuel Max tyre one of the "100 Most Innovative Products," and Fuel Max became the fastest tyre in Goodyear's history to surpass sales of more than 1 million. The Fuel Max technology reflects innovation that is good for its customers, for its employees, for its business and for the world.

In 2009, Goodyear also celebrated 111 years since its founding, and 100 years of operation in its aviation division by introducing 62 new products globally, of which some were exclusively produced for the Indian consumers. Goodyear DuraPlus® with Tredlife Technology™ was introduced in the Asia Pacific region to provide exceptional value for smaller, fuel-efficient cars and offer extended wear up to 100,000 km with great performance.

From developing the first all-weather tread design to Fuel Max technology, the first promotional blimp flight to airless tyres for moon exploration, Goodyear has been dedicated to developing new technologies that offer practical solutions for transporting people and products from one place to another. From rolling out India's largest tyre to becoming the first company to launch tubeless tyres in India, many of the product concepts introduced by Goodyear in India have not only revolutionized the tyre industry but have also become industry norms.

THE BRAND TODAY

When you look at the global Goodyear brand today - with its thousands of breakthroughs, innovations, inventions, firsts and groundbreaking improvements - you're seeing a reflection of the bold, innovative and down-to-earth character of the company's founders. Throughout Goodyear's 113-year history, the core of the brand has always been forward-thinking innovation. To that aim, it is engaged in conversations with all of its stakeholders to stay ahead of the curve - every voice matters. It requires a delicate balance to address the needs of associates, suppliers, customers, consumers, investors, governments, regulatory agencies, non-governmental organizations, communities and civic groups, but through open communication one is able to identify the trends, issues and opportunities on the road ahead. By taking all these voices into account, Goodyear is better able to nurture sustainable growth based on innovative solutions.

Brand Values

The most visible and recognized components of the brand Goodyear, are the logo and the brand promise.

Goodyear's distinctive winged-foot trademark is based on a statue of Mercury, which the founder kept in his home. Known as a swift messenger for all the Gods of mythology, Mercury's winged foot embodies many of the characteristics for which Goodyear products are known. Though the symbol has since been altered over the years, it remains a recognizable signature for Goodyear till this very day.

The brand promise "One Revolution Ahead" is the sum total of all the essential aspects of tyre technology, and in addition to providing quality tyres and services, Goodyear also offers to the consumers a heady mix of the best in line technology and services that help the brand connect with consumers and give it a cutting edge in the industry. **Some of the recent initiatives include:**

Goodyear 'Travelogue'

It's the joy of road trips that makes the journey more memorable than the destination. And what's better than sharing the most special expeditions with fellow travellers and explorers.

Celebrating the experiences of travellers and road tripping enthusiasts, along with the joy of driving on Indian roads, Goodyear initiated a unique concept



called "Goodyear Travelogue". As the name suggests, the "Goodyear Travelogue" serves as a memoir or journal of the exceptional road journeys of local travellers. It also provides tips on vehicle and wheel care, road safety and how to prepare for road trips, the best stopovers, and even shares unknown routes to certain destinations to make road trips even more exciting and memorable.

Goodyear partnered with several top lifestyle and automotive magazines like Lonely Planet, Auto India, Autocar India, Auto X, Man's World, and Top Gear to share the colourful experiences of road trips made by our avid travellers. From journey routes to scenic views, the Travelogue says it all. Readers are invited to pen down their road experience and send in pictures of their trips.

The concept has been well appreciated by end consumers too who regularly write in from all parts of the country to the magazines participating in this initiative.

Goodyear 'Wheel Care' concept

In its commitment to increase its reach and provide a better driving experience to Indian customers, Goodyear introduced the concept of Branded Retail Outlets.



GOODYEAR WHEEL CARE

With high standard tyre and car care services, the Goodyear "Wheel Care" outlet aims to provide motorists with the technical expertise that would help them get optimum performance, safety and longer life from their tyres. Aside from offering a wide-range of Goodyear tyres available for all vehicle types, the Goodyear wheel care outlet also provides motorists varied services such as tyre fitting, wheel balancing, wheel alignment and oil change.

Goodyear's 'Highway Helper'

Goodyear recently announced the launch of an exceptional new iPhone application for Indian customers - Goodyear 'Highway Helper'. It is a free downloadable application from Apple iTunes which allows fast access to important phone numbers (emergency, police, tow trucks, taxis, dealers, etc.) and also provides tyre dealer information, car maintenance, vital information on troubleshooting guides, safe driving tips and even offers interactive mini games.

Goodyear Highway Helper is a true utility tool as customers can upload this mobile application to use as a safety fallback if they get stranded on the road. The added informational

and interactive elements help you fully appreciate the useful car and tyre information, while the mini games are fun to play with and scores can be easily shared with Facebook friends.



Goodyear's 'Fast Aid' Program

Goodyear has always gone an extra mile when it comes to the safety of its customers. With cutting edge technology, state of the art products and innovative services, Goodyear continues to do justice to its commitment to safety on roads with a 'Road Safety Assistance' program called "Goodyear Fast Aid".

Fast Aid is a first of its kind program started by a tyre company. The core objective of the initiative is to provide to its customers, a safe driving experience with complete peace of mind on road. With the purchase of 2 or more Goodyear tyres, the customers get an annual Fast Aid subscription free.



Goodyear India launched this initiative in collaboration with RACE - India's leading on-road repair service provider. Tyres or beyond, no one knows safety for its customers better than Goodyear.

GOODYEAR INDIA - NOW A SUPERBRAND

In a market dominated by leading local brands, Goodyear topped them all to be named the Business Superbrand in India for 2010/11!

Superbrand is one of the world's largest brand evaluation authorities that pays tribute to exceptional brands in 86 countries across continents.

This is a significant achievement as it is the first time Goodyear displaced historically leading domestic brands. It reflects the broad and thorough work that the marketing team in India is driving.

Goodyear India garnered one of the highest scores amongst an assortment of companies from various industries, including all other tyre companies in India.



"This is indeed a great recognition for us and a reflection of all the hard work and dedication of our associates and channel partners. Thank you for helping us achieve Superbrand status."

Mr. Rajeev Anand
Vice Chairman and Managing Director of Goodyear India

A close-up, slightly angled view of several stacked Goodyear tires. The tires are black with yellow lettering. The word "GOODYEAR" is visible on the sidewall of the tires. Some tires have red wheel rims visible through the center. The number "1" and "LF-9" are visible on some tires. The background is dark and out of focus.

03

REINVENTING THE WHEEL

Customers, Markets and New Products

A decorative horizontal bar with a series of parallel diagonal lines in various colors (blue, green, yellow, orange, red, purple).

ON THE RACETRACK SINCE 1901



In 1901, Goodyear co-founder and sales manager Frank Seiberling offered young Henry Ford tyres for his new race car to help Ford get started in racing. Goodyear tyres appeared in the first race.

REINVENTING THE WHEEL

Customers, Markets & New Products



VAJRA RANGE OF FARM PRODUCTS

Farm industry in India, the growth continues

The tractor industry in India witnessed another good year of growth. The growth is likely to continue in coming years with key drivers being: higher level of agricultural mechanization, increased usage of tractors for non farm applications, easy availability of finance and rapid pace of infrastructure development. Higher level of tractor penetration in the country has also impacted the replacement markets with increasing park size which currently stands at 4 million.

BRINGING THE CUSTOMERS CLOSER

In 2010, Goodyear focused its strategy on strengthening its commitment to the customers in terms of new products, constant interaction, brand visibility, customer support and services.

Continuous market visits by Goodyear Teams

Goodyear Farm and Commercial teams made several visits to dealers and customers across the country. The management team during its visit, affirmed Goodyear's intent of getting as close as possible to the customers through regular and frequent customer meets.

“We need to anticipate the customer's needs and cater to them. Customer service is our focus area of improvement.”

Mr. J.S.Gujral, VP Farm and Commercial Business

Extending the farm tyre range

In 2009, Goodyear introduced the Vajra range of farm products comprising front farm and smaller sizes in Rear Farm tyres (12.4-28 and 13.6-28) to cope with changing requirements of the farm sector. The Vajra Super brand of farm tyres was designed to solve the Indian customer's problems of hard soil and sharp thorns, without sacrificing the tyre's performance or mileage.

After the grand success of the Vajra Super brand, Goodyear, during the course of 2010, extended the range to include sizes for Rear Farm Tyres in 14.9-28 and 16.9-28, thus catering to the large tractors (Higher horse power) and replacement market as well.

Goodyear also introduced new sizes for original equipment market (Mahindra & Mahindra) - front tyre sizes for their low HP tractor: 8.00-18 and 5.20-14 notched rib.

These sizes have been developed with respect to the demand from OE for their small tractors which are targeted to replace bullock carts and are also suitable for orchard and vineyard applications. 8.00-18 is fitted on the rear and has a lug design, while 5.20-14 is the matching front with notched rib design.

Vajra range of farm tyre products come with the following special features of Vajra Super series that make them ideally suited for hard soil:

- Special tread compound with Wear Pads - Resistance to thorn penetration
- Pry Notch Easy Mounting and De mounting
- 3T casing - more retreads
- Wider and stronger lugs - Uniform tread wear
- Angular shaped lugs - self cleaning during operations.

Promotional Activities

Several promotional activities were conducted in both soft soil and hard soil markets.

Goodyear participated in the "Kisaan Mela" at Malout, Punjab to increase the Goodyear Brand visibility in soft soil markets. In Patiala, Punjab, Goodyear branding was visible in the complete renovation and repainting of the Clock Tower, an important landmark of the town.

Van campaigns and rural fair participations were conducted in the hard soil markets of Gujarat and Maharashtra respectively to introduce and encourage trials of Vajra Super brand of tyres to customers.

A direct mailer campaign was successfully conducted in hard soil markets of Madhya Pradesh and Andhra Pradesh targeted at past customers of Goodyear products in order to encourage trials of Vajra Super brand of tyres.

The above initiatives were well received by the customer. This was reflected in increased volumes in the year 2010.



Packaged Tubes for Farm Tyres

Protective Packaging

In 2010, Goodyear introduced genuine tubes, encased in protective packaging, to complement its range of tractor tyres, both for front farm and rear farm tyres. This tamper-proof packaging protects the tubes from getting de-shaped or damaged.

Prevention against Duplication

The protective packaging also safeguards against risk of duplication in the marketplace, by carrying a specially designed hologram.

The front farm tubes are encased in a pouch that contains a hologram strip on both sides of the pouch, the Goodyear hologram on the pack and a hologram on the tube itself.

For Rear Farm tube sizes 12.4-28 and 13.6-28, Goodyear developed attractively designed buckets, also embossed with hologram, which were a huge hit with the customers.

Rear Farm tube sizes 14.9-28 and 16.9-28 are encased in cartons and also carry the hologram.

Product Launch

There was a pilot launch for the packaged tubes in

states of Andhra Pradesh, Gujarat and Uttar Pradesh. It was a soft launch, in order to assess the feedback on packaging / pricing and other aspects of acceptability in the market. The feedback from Associate Dealers was overwhelming, which led to full scale roll up by your company in this product category.

What the associate dealers had to say

Goodyear organised a series of dealer meetings across ten cities - Bhubaneswar, Pune, Lucknow, Kanpur, Ghaziabad, Patna, Bhopal, Hyderabad, Bangalore and Varanasi in December 2010. The meetings were aimed at engaging closely with the dealers and collecting valuable feedback on the new products and marketing, distribution and pricing approaches taken by the Farm and Commercial team in 2010.

The entire range of farm products along with the newly introduced sizes and packaged tubes were at display during the meets. There were positive feedbacks on the performance of Vajra Super in the field and the role it has played in creating a pull towards Goodyear farm products.

The Dealers appreciated the innovative tamper proof packing and were confident that the tubes would form an additional source of revenue for them as well as the company. In all, the associate dealers were positive about the impact of various initiatives being taken by Goodyear to take the business to new heights.



ASSOCIATE DEALER MEETINGS

AWARDS & RECOGNITION

Farm Proprietary Award- M&M

Goodyear India Ltd was felicitated with the prestigious "Farm Proprietary Award" on 22nd July 2010, by Mahindra and Mahindra, the largest tractor manufacturer across the globe. The winners were chosen on a well balanced criteria defined by Mahindra and Mahindra based upon delivery, cost, quality and new product development.

On behalf of Goodyear India, the Award was received by Mr. Rajeev Anand, Vice Chairman & Managing Director and Mr. J.S. Gujral, VP Farm and Commercial Business. **"We're delighted to be in the honored list of Mahindra & Mahindra, one of the largest tractor manufacturers in the world. We are very proud of our achievement."** said Mr. Anand.



Direct On Line Quality Certification- International Tractors



On 24th September, 2010, Goodyear India was the only tyre manufacturer amongst the first batch of 44 suppliers (out of a total vendor base of 364) to be awarded "Direct On Line Quality Certification" by International Tractors Limited.

This certificate is important as it recognizes Goodyear India as a quality supplier, manufacturing and supplying in accordance to the strict quality and supply standards laid out by ITL. Goodyear India has delivered on these parameters with the help of its quality control team, efficient delivery performance by plants as well as its seamless supply chain.



“Without Goodyear's support we would have lost production and sales of tractors.”

- Management team of Swaraj Tractors


Supply Chain Management Performance Award - Swaraj

Goodyear India won the “Supply Chain Management Performance Award” at the award function organized by Swaraj, another tractor manufacturing division of Mahindra and Mahindra Ltd, on 29th September, 2010.

On behalf of Goodyear India Ltd, Mr. J.S. Gujral (VP Farm and Commercial Business) received the award from the management team of Swaraj Tractors.

A horizontal bar with five diagonal stripes in the colors of the rainbow (red, orange, yellow, green, blue) is positioned above the "ON THE MOON" header.

ON THE MOON

A small, stylized yellow winged foot icon is located to the right of the "ON THE MOON" header.

In 1971, Goodyear put the first tyre on the moon by equipping the Apollo 14 Modular Equipment Transporter or moon buggy with specially designed tyres. One Giant Leap for Goodyear.

A black and white photograph of an astronaut in a full spacesuit standing on the lunar surface. The astronaut is holding a camera and is positioned next to the Apollo 14 Lunar Module's Modular Equipment Transporter (MET). The background shows the desolate, cratered landscape of the moon.

04

HISTORY IN THE MAKING
Manufacturing And Branded Retail

A horizontal bar with five diagonal stripes in the colors of the rainbow (red, orange, yellow, green, blue) is positioned at the bottom center of the page.

HISTORY IN THE MAKING

Manufacturing and Branded Retail



50 YEARS OF SUCCESS

With people in its focus and quality at its heart, Goodyear India Limited, Ballabgarh is going to complete 50 years of success. With an urge to perform and excel in every job and every role, the momentum of Ballabgarh facility has created a strong foundation for long-term sustainable competitive advantage.

Major milestones in the successful 50 year journey were:

1. Quality Recognition and Certification

- "Self Certified Supplier" Award from TAFE
- Zero PPM Status from New Holland
- 100% Global PPQ Audit Score

- The Ballabgarh team achieved a perfect score in the Product and Process Quality audit for 2010. This achievement is extremely important as it comes on the heels of the start of production of Radial Farm Tyres
- ISO/TS 16949 Re-certification & upgradation to 2009 Version
- ISO 14001 Successful Audit
- BIS certification of BMT & BLT tyres

2. Recognized by Lal Bahadur Shastri Academy of Administration, Government of India, for training of IAS Officers for 2010 batch.

BRANDED RETAIL

Goodyear Wheelcare

Goodyear is committed to satisfying all its customers by meeting each one's needs with the right performance at the right price. This commitment also guides our retail business, allowing us to serve more customers and understand their environment so that we can develop the innovations they want and deliver the services they expect.

The tyre retail business in India has become increasingly intense. Consumer behaviour tends to change rapidly and conventional marketing may not be able to fulfill all their needs. Today's consumers are looking for safety, long tread-life, fuel savings and services that make travelling easier, while business

users think in terms of productivity, maintenance and uptime. Meeting these expectations demands tyre solutions that are dedicated, differentiated and increasingly technologically and innovation-driven.

Goodyear Branded Retail Stores named as **"Goodyear Wheelcare"**, offer a wide array of choices to consumers with all the latest wheelcare services such as tyre purchases, wheel alignment and balancing, nitrogen gas filling, alloy wheels/accessories, rim straightening etc. They can also find competitive products in these stores, compare the products, and hence make informed decisions.



Goodyear has two distinct formats of BRO (Branded Retail Outlets) **GOLD & BLUE**. Each format is designed keeping in mind the specific requirements of today's dynamic consumer and the latest business scenario.



**Gold
BRO**

- A. Premium ACP signage
- B. Customer lounge with sofa set
- C. Tyre & alloy rack
- D. 3 consumer promotions in a year
- E. 1 petrol pump tyre safety camp and other strategic retail promotion activities



**Blue
BRO**

- A. Backlit flex signage
- B. 2 consumer promotions in a year
- C. 1 training session for the staff
- D. 1 training session on business management

Goodyear has also tied up with Bharat Petroleum Corp Ltd to open Goodyear's branded retail outlets at select petrol pumps across country. Two of such stores are under construction and are being prepared for launch soon at Chandigarh and Jaipur.

Expansive Foot Print

In 2010, Goodyear India had Wheelcare outlets in 20 cities. Expanding its presence and reaching out to all its consumers, Goodyear outlets are now present in 36 cities. Some of the cities added include Tirpuri, Coimbatore, Hosur, Satara, Navi Mumbai, Surat, Sirsa, Korba and Chandigarh. With convenient locations nationwide, consumers will find great deals on tyres and premium services, with highly trained staff ready to give the right information to help them make the best purchase for their tyres.

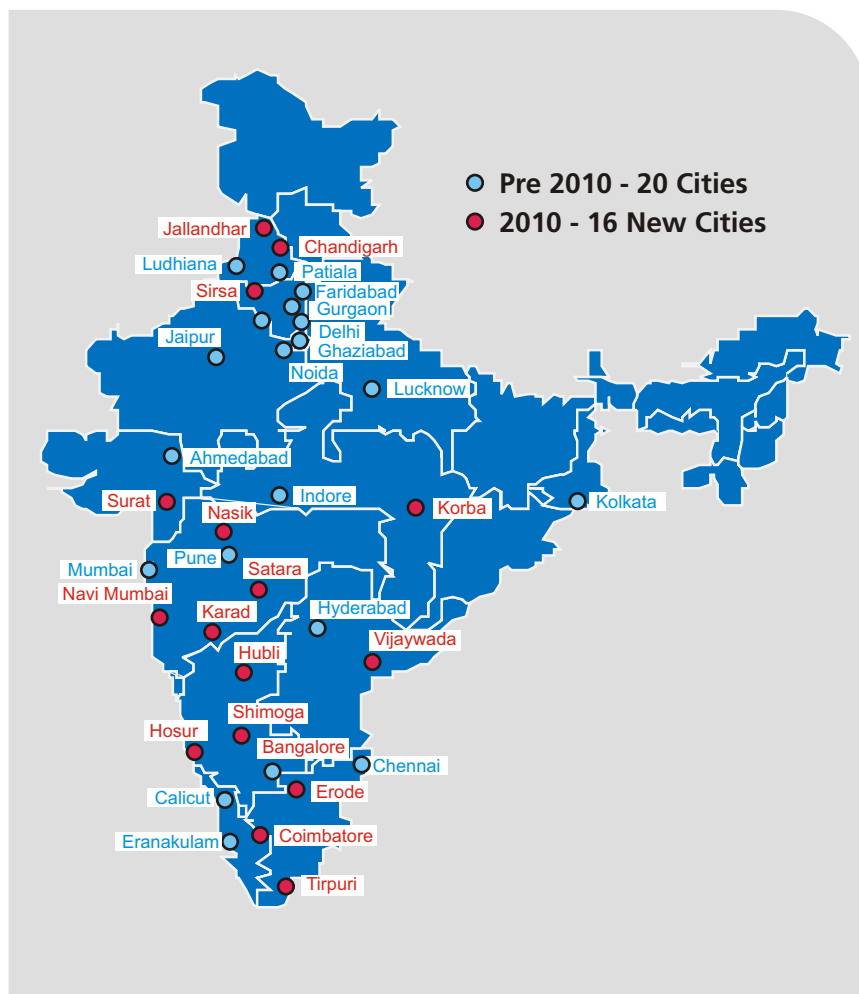
Training

At Goodyear we believe in partnering and meeting the challenges together. We have designed a training program that's built with local business needs in mind and a goal to help our dealers become even more successful in selling our products.

Our training provides both mandatory and voluntary learning modules that include:

- I. Competence development
- II. Market and business insight
- III. Sales argumentation
- IV. Brand guidelines

These are particularly convenient and helpful for our Goodyear Wheelcare dealers. They learn more about new additions and updates to our product portfolio and the latest know-how in managing their business better.



Promotions

Attractive consumer promotion schemes such as Tread 'n' Blend and Groom Vroom by Goodyear India provide dealers with a range of marketing and branding support vehicles. Our channel partners also have access to a wide range of marketing tools like branded stationery, website presence, product presentations, event stands & other co-branding opportunities.

A horizontal bar with a rainbow gradient, transitioning from red on the left to purple on the right.

ON THE ROAD TO MARS



Goodyear and NASA collaborated to create the perfect tyre for the hot, rocky, ground of Mars and the moon. The tyre consists of 800 load bearing springs and metallic mesh, and won Goodyear an R&D 100 (the "Oscars of Innovation") award in 2010.

05

FULL CIRCLE

Employees, Partners & Society



FULL CIRCLE

Employees, Partners & Society

PUTTING PEOPLE FIRST

Goodyear has always enjoyed long-term commitment with its employees. People come to Goodyear not just for a job, but for a career in an organisation whose employee bonding is rooted in shared values and mutual respect.

Employee pride in their Company is reflected in their loyalty (significant drop in employee turnover) as well as in their active participation in employee programs. In 2010, we had an average 8 base points rise in Associate Engagement over our last survey (2008) score while we are on average 20 base points higher than our Global average. Moreover, the dedication and community spirit they demonstrated, attest to the strength of Goodyear's core values.

Spreading 'Smiles' at Goodyear

It is said if you see a friend without a smile, give him one of yours. And that's exactly what everyone at Goodyear India does!

The 3C team's unique 'Smiley' program encourages the expression of joy from one to other. The appreciation programme 'Smiley' was initiated to help each associate reach out to and thank those who have "made them smile" or "made a difference" in any way.

Every month the "Milestone Meeting" serves as the platform to publicly celebrate these smiley awards alongside the other business and personal milestones.

Diwali Celebrations - The Goodyear Way

In the midst of the festive season in India, Goodyear hosted a fund raising dinner for all its associates in the corporate office along with their families. The dinner got all the departments together to enjoy the festival of lights - Diwali, with loads of games and delectable food, and simultaneously raise money for a good cause.

Goodyear India associates from various departments, organised innovative stalls and interactive activities to engage the crowd. The charity money was raised by selling the games stall tickets and free will donations in drop boxes.



The Women In Leadership (WIL) team had taken the responsibility of identifying and associating with an NGO, to whom the amount collected, was handed over for charity and child development.

The celebration continued at the Goodyear India corporate office, in New Delhi with a special lunch being organised in the office, on the eve of Diwali. The associates enjoyed the day with interactive sessions and gifts were distributed to them as a thank you gesture by the HR team.

Retaining Talent and Building Bench Strength

One of our challenges is to attract and retain the best talent available, provide them with Goodyear's expertise and develop their full potential. That's why at Goodyear, next level movements were made more performance and capability driven. Effective Succession Planning enables the organisation to identify talented employees and train them for future higher level and broader responsibilities. Succession Planning also builds bench strength and prevents any business loss in the event that any key employee leaves the company or moves from one location to another.

DARPAN: Visiting Yourself and Looking Within for Answers

The Darpan workshop was organised to help our associates have a better understanding of themselves, assisting them in fully utilising their areas of strength and actively working towards improving their opportunity areas for organisational & individual success. The workshop consisted of an assessment of technical and behavioural competencies.

During the workshop, Goodyear associates were involved in a number of activities, both as groups and

as individuals. Designed to identify strengths and possible areas of improvement, each workshop consisted of standardised processes that included a variety of techniques including interviews, case studies, presentations as well as behavioural simulation exercises.

Encouraging Performance

Earning the commitment of team members requires aligned and rewarding policies, notably in fast-growing countries like ours, where employee retention is especially important. Goodyear India performed very well in the current financial year for which, all the associates were recognised through incentives and more than half of the employees were paid 150% of their eligible bonus.

Managing Employee Relations

The company invested substantial time and resources to maintain healthy employee relations across board. The shop-floor associates and union representatives were involved in various initiatives within and out-of-factory premises to help them gain deeper understanding of the business. Shop-floor associates feel a stronger connect to the overall operations of the company and understand the impact they make.

CIS - Training



Six Sigma Training

The first Yellow Belt training for 2010 for Goodyear India was held from 3rd February 2010 to 6th February 2010 at New Delhi. The training was specific to the Commercial team so as to increase the CIS resource strength in this department.

The program received an enthusiastic response with 25 class participants - the highest ever! It was quite an interesting mix of participants from various departments including- sales, q-tech, supply chain, production and HR which helped in building and sharing cross functional understanding.



BPPM Workshop to Simplify Import Process



With the aim to simplify the Import process and to identify redundancy for subsequent elimination, the CIS and Supply Chain teams conducted the BPPM (Brown Paper Process Map) workshop. Due to the complexity and involvement of different functions, the same was covered in three sessions. This initiative was well supported by active participation of all relevant functions.

The first two sessions helped map the AS-IS Import Process for all categories:

- **Capital Goods**
- **Raw Material**
- **Finished Goods**

The process mapping helped the team identify the bottlenecks and delays. The closing session was conducted on 29th June 2010, wherein the action plan along with the "Ideal To Be" process was decided for each function.

CIS Workshop in Delhi

The CIS group in the corporate office and Ballabgarh facility came together for a CIS workshop held in Delhi on 13th August, 2010 with a two fold objective:

- To re-connect as a team and share the current achievements and future expectations
- To brainstorm for additional savings prospects in each area to meet 2010 business objectives

The presence of the management gave the event a kick start and set the tempo for the day. It went a long way in reposing the confidence in the function. Meaningful discussions, functional interactions and Q&As led to a better business understanding and focus leading to the group coming up with more than 60 ideas of savings opportunities.



PARTNERS

Training Program for India's 3PL Partners

As a part of our continuous initiatives to understand and work closely with our customers, suppliers, and service providers, CIS and Supply Chain joined hands to impart training to our 3PL partners. A one day CIS awareness training program on key methodologies was organised on Saturday, 20th February, 2010. This saw participation of 12 key 3PL members from West that included two of the JIT (Just In Time) warehouse managers from Maruti and Hyundai. The key account managers had expectations of acquiring learning and information beyond their current understanding. The full day program covered the basic CIS overview with lean and business processes mapping. The teams went on to map two key processes-

a) Order to delivery to customer

b) Transit time from factory to C&F

An introduction to basic 5S - a lean principle of workplace organisation followed that was well received by all.

5-S Lean Training for our 3PL Partners

The joint initiatives of CIS and Supply Chain with our 3PL partners continued in March 2010. On March 2nd, a 5S Lean Training was organised for 3PL RDC Faridabad and C&F Delhi at RDC Faridabad.

The brief introduction, objective and a peep through the gains through 5S helped the team to understand this methodology and post the assessment of the current layout at RDC. The teams came back with the recommended changes to help build a better workplace around. This topic was later rolled out and added in the other 3PL training programs to create awareness and understanding.

PLANT ACTIVITIES

Shramdaan: Improving The Working Environment & Culture



A tradition developed by CIS Ballabgarh, Shramdaan is an event where associates from different departments come together to help the operators clean the machines and look for abnormalities.

Identified abnormalities get solved then and there or else are sent to the business centre manager with an action plan.

Shramdaan gets organised on every Saturday and enjoys a good response from all departments. This is an example of the strength of the plant teams at Ballabgarh who are "working towards a common vision to attain uncommon results"

Committed to Customer Satisfaction:

India Plant Associates visit Goodyear Dealers

Goodyear India organises associate market visits every month with an objective to capture-

- **Market Expectation**
- **Competitor Performance**
- **Issues/ Complaints**

In this way, associates are encouraged to interact freely with our channel partners to have first hand information about the tough competitive market and high expectations of the customer.

Customer feedback goes a long way in strengthening the commitment of our associates towards better product quality and also motivates them in further improving our plant's outgoing product quality.

Associates also get an opportunity to see how competitor's products are being perceived by the consumers & dealers.

These visits to our channel partners also help the associates understand new product performance & recognise any issues/complaints with our products as well as new opportunities for improvement.

SAFETY

Providing a safer workplace

Safety, industrial hygiene and chemical stewardship remain top priorities for Goodyear as we pursue our vision of "No One Gets Hurt". All Goodyear facilities develop strategies based on the four cornerstones of this vision -

- **Strong leadership and guidance**
- **Well-defined processes for examining and modifying at-risk behaviour**
- **Deploying ergonomics to reduce illness and injury**
- **Strongly promoting standards for preventive maintenance and compliance**

By setting aggressive goals, establishing proactive processes and executing systems in a timely manner, we have achieved significant positive change in our safety culture and continue to drive towards our goal of reducing incidents.

The Health and Safety team worked hard in 2010 to promote workplace safety. Our plant offices developed awareness campaigns to encourage safe

behaviour and celebrate safety milestones like:

Safety Week

Goodyear India Ballabgarh (Power House) observed Safety Week in August 2010. During the week, group activities and new programs like Safety Commitment Signature, Stop and Go Card implementation, Safety Representatives' training, new safety book, cross functional visits, safety arm band, buddy system and safety videos were organised to reinforce and nurture the safety awareness among associates.

Vivek Devgun, Plant Manager, joined by the factory operating team explained the importance of observing safety on and off the workplace and encouraged associates to participate in all the safety activities planned during the week. As a show of commitment, a Safety Pledge was made by all associates.

The team, under the leadership of the Power House Manager, Anil Gupta, was fully committed to take Power House to the next level of safety.



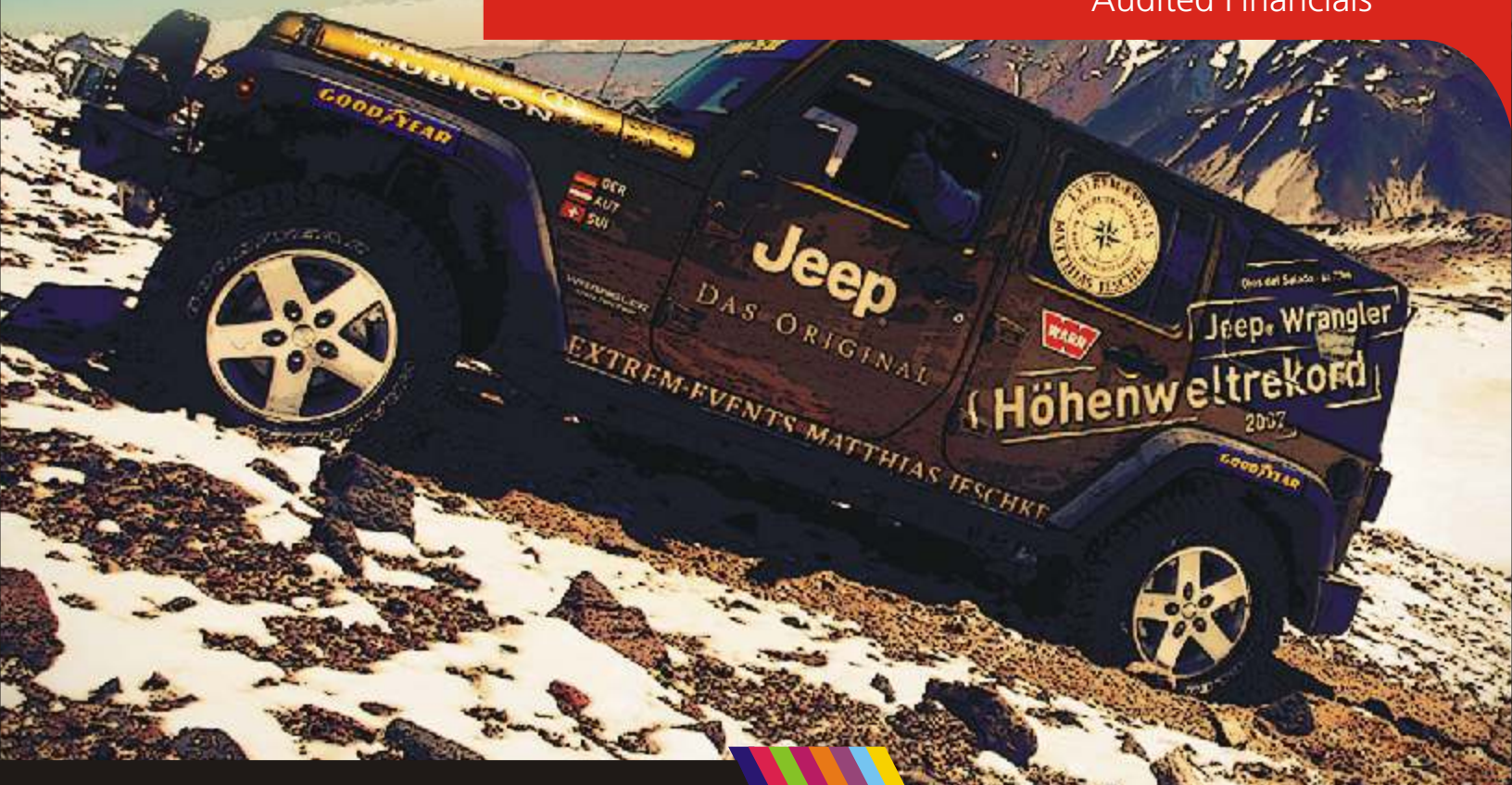
ON THE HIGHEST VOLCANO ON EARTH

In 2007, two Jeep Wrangler Unlimited vehicles, fitted with Goodyear MT/R tyres, set a new world record by climbing 6,646 meters (21,804 feet) to the world's highest volcano's (Ojos del Salado in Chile) rim.

06

WHEEL OF FORTUNES

Directors' Report
Corporate Governance
Management Discussion & Analysis
Audited Financials



Directors' Report

Your Directors present the audited results for the year ended December 31, 2010 as under:

	(Rs. in Million)	
	<u>2010</u>	<u>2009</u>
Total Sales & other Income	13,944	10,735
Less: Excise Duty	<u>801</u>	<u>535</u>
Net Sales & other income	13,143	10,200
Less: Total Expenditure excluding Interest & Depreciation	<u>11,845</u>	<u>8,926</u>
Profit Before Interest, Depreciation, & Tax	1,298	1,274
Less: i) Interest Expenses	36	34
ii) Depreciation	<u>153</u>	<u>126</u>
Profit Before Tax	<u>1,109</u>	<u>1,114</u>
Less: Provision for Taxation:		
Current Tax	367	383
Deferred Tax	(6)	(2)
Fringe Benefit Tax	<u>---</u>	<u>2</u>
Profit After Tax	<u>748</u>	<u>731</u>

During the year, the net sales and other income increased from Rs. 10,200 Million in the previous year to Rs. 13,143 Million. The export sales stood at Rs 594 Million. Other Income rose by 250 % mainly due to reversal of Provision of Rs. 47 Million related to 'Price Differential pending settlement' matter and Increase in interest Income on Deposits by Rs.37 Million.

The depreciation for the year is inclusive of the accelerated depreciation amounting to Rs 5 Million, in respect of a category of equipment due for replacement.

DIVIDEND

Your Board recommends a dividend @ Rs 7 per equity share for the year 2010. The recommended dividend will absorb a sum of Rs. 161 Million and tax on

dividend will be Rs. 27 Million. Out of the surplus, an amount of Rs 80 Million is transferred to General Reserve and balance of Rs. 1,513 Million is carried to the Balance Sheet.

OPERATIONS

At macroeconomic level, the Indian economy has been experiencing strong growth, with the Central Economic Advisory (CEA) expecting GDP up 8.5% for 2010-2011. The strong economy, coupled with improving consumer confidence and a good monsoon, helped spark strong demand for tractors and passenger vehicles, the primary focus segments for your Company.

The tractor industry in India has witnessed an exponential growth of 27% in 2010 (Source: Tractor

Manufacturers Association). This resulted in an increased demand for tyres which your Company capitalized on, with strong sales growth of tractor tyres to OEM customers and in the replacement market.

Similarly, new passenger vehicles sales grew an unprecedented 29% (Source: Society of Indian Automobile Manufacturers), translating into strong consumer tyres demand from OEM customers. The replacement market increased as well, following the brief slowdown experienced late 2008 and early 2009. This fueled strong growth in your Company's consumer tyres sales.

FINANCE AND ACCOUNTS

During the year, additions to fixed assets amounted to Rs. 342 Million as against Rs. 180 Million in the previous year. The Capital expenditure incurred amounted to Rs. 573 Million. The interest cost during the year has increased from Rs. 34 Million in the previous year to Rs. 36 Million.

As at the end of December 2010, an amount of NIL matured deposits remained unclaimed.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

Your Directors state that the annual accounts of the Company have been prepared in conformity, in all material respects, with the generally accepted accounting standards in India and supported by reasonable and prudent judgements 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 and other disclosures are appearing in Schedule 15(a) to the Notes to the Accounts and forming part of the annual accounts.

These financial statements of the Company have been audited by M/s Price Waterhouse, Chartered Accountants, Gurgaon, (Registration Number: FRN301112E). A reference may be made to their report dated February 21, 2011 to the members together with Annexure thereto containing information per requirement under the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment), Order, 2004 attached with these annual accounts.

Proper and sufficient care has been taken for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The internal control system of the Company is monitored by an independent internal audit team, which encompasses the examination and evaluation of the adequacy 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.

FUTURE OUTLOOK

As per the Central Economic Advisory (CEA), the Indian economy is expected to continue to grow at a fast pace, with GDP growth forecasted at 9% for 2011-2012. However, cost and competitive pressures are expected to stay.

In this context, your Company will continue to focus on the review of activities in different areas of operations under the umbrella of the Continuous Improvement System (CIS). The CIS is an integral part of your Company's philosophy to maximize gains and reduce costs in order to address the market realities.

In the tyre industry, strong growth is expected to continue in both the farm tyres and the consumer tyres segments. Your Company intends to maintain its focus on the production of farm tyres to retain its leadership in the said segment, and to further consolidate its strong position in the consumer tyres segment.

UPDATE ON DELISTING OF SHARES

During the year, based on the decision taken and communicated by its Promoter, The Goodyear Tire & Rubber Company, for delisting of its equity shares from the Bombay Stock Exchange Limited ("BSE"), in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations") either directly or through one or more of its subsidiaries. After passing of the Resolution by Board of your Company, shareholders of the company approved the proposal

for delisting of its equity shares on April 7, 2010 by postal ballot and BSE granted its in principle approval on April 27, 2010.

Pursuant to the Delisting Regulations, Goodyear Orient Company Private Limited, a wholly owned subsidiary of the promoter, The Goodyear Tire & Rubber Company, invited bids by way of public announcement dated May 13, 2010, to acquire, in accordance with the Delisting Regulations and terms and conditions set out in the Public Announcement, up to 5,997,292 equity shares of the company, representing 26% of the equity capital (the "Offer Shares") for which the approval was obtained from shareholders by way of postal ballot.

The number of Offer Shares tendered by the public shareholders at or below the discovered price was less than the minimum number of Offer Shares required to be accepted for the delisting offer to be successful in terms of Delisting Regulations. Accordingly, the delisting offer is deemed to have failed in terms of the Delisting Regulations.

The Company thus continues to remain listed on BSE.

DIRECTORS

In the Board Meeting held on February 23, 2010, resignation of Mr Hugo O Dedekind, effective the close of business hours on March 31, 2010, was accepted as Director & wholetime Finance Director.

In the Board Meeting held on April 27, 2010, Mr Quek Khai Whatt was appointed as non-wholetime Additional Director with immediate effect i.e. April 27, 2010.

In the Board Meeting held on June 8, 2010, Mr Jean Philippe Lecerf was appointed as Additional Director as well as wholetime Finance Director for a period of 3 years effective July 1, 2010. In the same Board Meeting, resignation of Mr Quek Khai Whatt was accepted as Director, effective the close of business hours on June 30, 2010.

In the Board Meeting held on October 25, 2010, Mr Yashwant Singh Yadav was appointed as Additional Director as well as wholetime Director designated as Director-HR & Corporate Affairs, effective November 1, 2010. In the same Board Meeting, resignation of Mr Jean Philippe Lecerf was accepted as Director and wholetime Finance Director, effective the close of business hours on October 31, 2010. However,

effective November 1, 2010, Mr Jean Philippe Lecerf is continuing as Chief Financial Officer (CFO) of the Company.

The Board records its appreciation for the valuable contribution made by Mr Hugo O Dedekind, Mr Quek Khai Whatt and Mr Jean Philippe Lecerf as Directors.

Mr Rajiv Lochan Jain is retiring by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

The information relating to the above appointments is also appearing under the head 'Directors' in the Corporate Governance Report.

AUDITORS

M/s Price Waterhouse, Chartered Accountants, Gurgaon, (Registration Number: FRN301112E), retires at the conclusion of this Annual General Meeting and are eligible for reappointment.

Dr. Ashok K Agarwal, has been re-appointed as Cost Auditor for conducting the cost audit for the year ending December 31, 2011.

CORPORATE GOVERNANCE

Your Company follows the corporate philosophy, enshrined in a manual titled '**Business Conduct Manual**' for Global Operations. The core values, inter-alia, include conducting business in accordance with the highest applicable legal and ethical standards, the highest standards of product quality and services to the consumers with a view to create value that can be sustained continuously for the benefits of its customers, shareholders and the associates. As per the applicable provisions of Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion & Analysis, a Report on Corporate Governance together with the Auditors' certificate on the compliance of conditions of Corporate Governance form part of the Annual Report.

HUMAN RESOURCE

The employer-employee relations throughout the year remained cordial. Measures for training, development, safety of the employees and environmental awareness received the top priority of the Management.

The Statement of Particulars of the employees of the Company, pursuant to Section 217 (2A) of the Companies Act, 1956 forming part of this report, is also attached.

ANNEXURE

The Annexure to Director's Report under The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of this report, is attached.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to the Company's esteemed Shareholders, Customers, Suppliers, Associates, Bankers and the State and

Central Governments 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 for their continued support and contribution in all the spheres of operations.

On behalf of the Board of Directors

Aurangabad
February 21, 2011

Pierre Eric Cohade
Chairman

Annexure to Directors' Report

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

- 1) Reduction in plant dead load by 8%.
- 2) Pet coke boiler efficiency improved by 2%.
- 3) Installed Rotary UPS and restrict in house power generation.
- 4) Installation of energy efficient pumps at STP and ETP.
- 5) Installed HT capacitor to improve power factor.
- 6) Installed energy efficient lighting feeder.
- 7) Installed solar street lights.
- 8) Introduced energy efficient float type steam traps to improve condensate recovery by 2%.
- 9) Installed energy efficient blowers for Banbury rack cooling.
- 10) Installed energy efficient fans on 10 X 10 extruder.
- 11) Installed energy efficient Dome deflation diaphragm valves.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

- 1) Installation of energy efficient screw compressor.
- 2) Installation of energy efficient hydraulic pump on H, I line.
- 3) Installation of power less eco ventilators in place of conventional motorized exhaust fans.
- 4) Installation of energy efficient lightings.
- 5) Installation of energy efficient Package air conditioning system.
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption & consequent impact on the cost of production of goods:

The above measures helped towards reduction in energy consumption, quality improvement, reduction in utility cost & partially offset high inflation in energy cost.

- d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto:

Year 2010

Year 2009

A. Power and Fuel consumption**1. ELECTRICITY (KWH)**

a) PURCHASED

UNITS (000)	23,682	10,885
TOTAL AMOUNT (RS. '000)	115,875	47,956
Rate/Unit (Rs.)	4.89	4.41

b) OWN GENERATION
Through Generator

Units (000)	15,499	24,894
Unit /Ltr of Fuel	3.94	3.53
COST/UNIT (Rs.)	7.69	6.78

2. STEAM

a) HSD/LDO

Quantity (K.Ltrs)	0	12
Total Amount (Rs. '000)	0	355
Average Rate (Rs./K.Ltr)	0	30,725

b) Residual Furnace Oil / Furnace Oil

Quantity (Tonnes)	131	538
Total cost (Rs.'000)	3,695	12,407
Average Rate (Rs./Tonnes)	28,141	23,048

c) Petcoke (For Process Steam)

Quantity (Tonnes)	8,170	7,007
Total cost (Rs. '000)	66,650	43,017
Average Rate (Rs./Tonnes)	8,158	6,139

3. NITROGEN

Quantity (cubic meters-000)	1,756	1,772
Total Cost (Rs. '000)	13,253	10,760
Average Rate (Rs./Cubic Meter)	7.55	6.07

B. Consumption per tonne of production

Electricity (KWH)	764	769
FUEL (K.LTRS.-EXCL.NITROGEN GAS) FOR STEAM	0.1910	0.1951
Nitrogen (m3)	26.00	25.50

B. TECHNOLOGY ABSORPTION

e) Efforts made in technology absorption as per Form B of the Annexure

Research & Development (R&D)

1. Specific areas in which R&D activities carried out by the Company:

The Company, in close co-ordination with its Parent Company, The Goodyear Tire & Rubber Company, Akron, Ohio, USA and its Parent Company's technical centers based in Luxembourg, Akron & Japan, carried out R&D activities in specific areas.

R&D focused on the Development of the new Product for both Export and Local Markets.

The project to facilitate the quicker release of new tyres for Farm Category was conceived and Farm Tyre Testing was made functional at Ballabgarh. Farm tyres with Radial Technology were developed for Indian market. New Vajra Range for farm tyres released for hard soil market to attain leadership.

Major emphasis was on improving the quality standards and enhanced customer satisfaction. This was primarily achieved through process improvements, control on systems, and reduction in waste, energy conservation. Use of tools such as Six Sigma and small group activities with the technological support resulted in controlling the variations in processes, maximizing the productivity and minimizing the cost of production.

Efforts continued in the direction of fine-tuning of the construction and the changes in compound formulations. These resulted in improvements in the product performance and reduced usage of high cost raw materials.

2. Benefits derived as a result of above R&D

The R&D activities helped the company to add new quality products to its range and achieve greater customer acceptance in the market. These activities also enabled the company to reduce process waste, lower the energy consumption, increase productivity & release new products in the Market to achieve higher "Customer Satisfaction".

3. Future Plan of Action

Introduction and promotion of New Quality Products to existing range of front and rear farm tyres in order to meet market requirements and exceed customer needs. New sizes in farm tyres are going to be introduced.

4. Expenditure on R&D (Rs. in Million)

a) Capital	NIL
b) Recurring	2.97
c) Total	2.97
d) Total R & D Expenditure (as a percentage of total turnover)	0.02 %

Technology absorption, adaptation & innovation

1. Efforts in brief made towards technology absorption, adaptation & innovation:

a) New Product Introduction

R&D activities helped the company in the introduction of products designs, Farm tyres with superior compounds to increase market acceptance. New sizes developed for Africa and Asia exports.

b) Process Improvement

Continued efforts made in the areas of Quality Improvement, waste reduction, process capability in major equipments and cost optimization to specially improve the market acceptance of company's products.

c) System Improvement

Continual efforts made to implement and sustain Quality Management System and Environment Management System in the Plant to meet and enhance Customer's present and emerging needs.

2. Benefits derived as a result of above efforts:

The technical innovations & adaptation made at Goodyear Technical Centres in USA & Europe along with company's inputs helped the company to introduce new products & improve the market

acceptance of Goodyear Products. New Design Vajra Super launched in Rear Farm Tyres & in Front Farm tyres especially for Hard soil market.

3. Imported Technology:

- a) Technology Imported)
- b) Year of Import)
- c) Has technology been fully absorbed?) Not
- d) If not full absorbed, areas where this) Applicable
- has not taken place, reasons there for)
- & future plans of action)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:

During the year 2010, Goodyear products were exported to Australia, Bangladesh, Germany, Guatemala, Kenya, Morocco, New Zealand, Pakistan, Saudi Arabia, Sri Lanka, United Arab Emirates etc.

g) Foreign Exchange (Rs. in 'Million')

Total foreign exchange used and earned : (Rs. in 'Million')

Year	Earned		Capital Goods	Used		
	Export (FOB)	Others		Import (CIF) Stores & Spares	Raw Materials	Others
2010	594.02	25.01	100.58	5.12	889.18	885.59

Annexure To The Directors' Report

Information as required under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended December 31, 2010.

Name of the employee : Age : Designation/Nature of duties : Remuneration received (Rs.) : Qualification : Experience (Years) : Date of Joining : Last Employment held : Last Designation

EMPLOYED THROUGHOUT THE YEAR :: Anand Rajeev : 50 : Vice Chairman & Managing Director : 17893290 : Diploma Mech. Engg. : 29 : 01.01.1982 :: Arora Sanjeev : 34 : Head – Financial Planning & Analysis : 3990603 : CA : 11 : 21.11.2008 : Nokia India Pvt. Ltd. : Business Controller - Care :: Bedi Gurkirpal Singh : 45 : Head – OTR Business : 2514814 : BSc, PGDBA : 22 : 29.12.1998 : Indag Rubber Ltd : Asstt. Divisional Manager :: Chutani Ramesh Chand : 53 : Country Purchase Head : 3213470 : BSc. : 32 : 01.10.1980 : Bharat Carbon & Rubber Mfg. Co. : Trainee Supervisor :: Devgun Vivek : 42 : Manufacturing Director^ : 3430554 : Diploma (Mechanical) : 21 : 27.05.1989 :: Gandhi Vikas : 31 : Head - Retail : 2748930 : MBA : 10 : 24.11.2009 : ICI India Limited : Business Manager - Modern Retail :: Gupta Rajiv : 38 : Head-Customer Services : 2477596 : MBA : 15 : 01.11.2006 : Samsung India Electronics Ltd : Sr. Manager Customer Satisfaction :: Gujral Jatinder S. : 48 : VP - Farm, Commercial : 7889335 : B.Tech : 26 : 11.07.2007 : Tata Motors India : Global Head - CV Parts & Aggregates :: Jaidka Harinder Singh : 46 : Regional Sales Manager - West : 2626026 : MBA : 23 : 01.06.1993 : Bombay Tyres : Territory Manager :: Kaul Neena : 41 : MBB - Asia Pacific & CIS Head - India : 2864016 : B.Com, Diploma : 22 : 25.04.1995 : DCM Transworld Pvt Ltd : Secretary :: Kumar Aneel : 45 : Head - IT : 2453745 : Chartered Accountancy : 23 : 16.04.2008 : Reliance Retail Ltd. : Asstt. General Manager - Finance :: Laha Soumava : 43 : Director - Supply Chain ^ : 3835593 : BE (Mechanical), Post Graduate Diploma in Financial Management : 20 : 10.10.2007 : Valvoline Cummins Ltd. : Asstt. General Manager-Sourcing and Plant Operations. :: Lall Tarun Kumar : 49 : Head - Pricing : 4112302 : B.Com., CA : 23 : 01.05.1987 :: Mehra Deepak : 50 : Business Manager - North : 2587217 : MBA : 23 : 07.08.2008 : Reliance Retail Limited : General Manager - Store Operations :: Mitra Samit : 40 : National Sales Manager-Re : 2935883 : MBA : 16 : 15.09.2003 : Raymonds : Regional Manager :: Pillai K C S : 54 : GM - Tech. & Business Dev. Commercial : 4270133 : BE : 30 : 15.05.1984 : Premier Tyres Ltd. : Technical Service Engg :: Singh Dipinder : 52 : VP - Consumer Business : 8897766 : MBA, Phd : 26 : 01.02.2009 : Goodyear Tire Management Company (Shanghai) Ltd. : Marketing Director - Consumer PBU :: Singh Harbhajan : 31 : Manager Distribution & Supply Planning : 2496309 : BE, PGDIE : 7 : 07.08.2008 : Castrol India Ltd. : Supply Chain Manager :: Singh Randeep : 36 : National Sales Manager-Replacement sales : 4019847 : BTech, PGDM : 13 : 11.12.2008 : Subhiksha Trading Services Ltd. : National Business Manager - Small Appliances :: Singh Vinod Kumar : 38 : Plant Head - HR : 2894922 : PGDBM : 15 : 30.09.2008 : Dabur Pharma Ltd : Asstt. General Manager-HR :: Soni Prince : 37 : Head - Treasury : 2714626 : B.Com.(H), Chartered Accountant, Diploma in RDBMS : 12 : 29.10.2009 : Thomas Cook India Ltd : General Manager - Business Strategy :: Yadav Yashwant Singh : 52 : Director - Human Resources & Corporate Affairs* : 8157429 : LLB, MBA : 29 : 12.11.2009 : General Motors India Pvt Ltd : Vice President - Human Resource

EMPLOYED FOR PART OF THE YEAR :: Babu Ram : 58 : Area Manager : 448300 : Intermediate : 39 : 23.11.1971 :: Bassi Vinay Kumar : 43 : Human Resources Director^ : 946691 : MBA : 23 : 12.10.2007 : Pepsico India Holdings Pvt. Ltd. : VP - HR :: Bhori Pranab Kumar : 58 : Manager-Export/Import Doc : 1354059 : BSc (H) : 37 : 29.04.1993 : Samtel India Ltd : Assistant Manager - Import :: Chander Suresh : 52 : Assistant Manager - Mech. Maintenance : 684952 : ITI (FITTER) : 31 : 27.07.1979 :: Dedekind Hugo O. : 60 : Finance Director** : 2080568 : Studied at Institute of Administration and Commerce in University of Natal : 35 : 01.11.2005 : South Pacific Tyres, Australia : Head of Finance & IT :: Giridharan R : 40 : Manager - Sales Training & Operations : 964344 : B.Com, Diploma : 20 : 01.03.1995 : Hindustan Lever Ltd : Secretary :: Gupta Pankaj : 38 : Head - Legal & Company Secretary : 2008745 : LL.B / FCS / B.Com(H) : 13 : 21.04.2010 : ARICENT Technologies (Holdings) Ltd. : Sr. Mgr-Legal & Company Secretary :: Gupta Ravindra Kumar : 55 : Controller : 221247 : ICWAI : 33 : 01.10.2010 : Goodyear South Asia Tyres Pvt Ltd : Plant Head - Finance :: Jain Shant Kumar : 59 : Head - Legal & Company Secretary : 2193248 : B.Com., LLB, FCS : 42 : 16.10.2009 : Goodyear South Asia Tyres Pvt Ltd : Head - Legal & Company Secretary :: Lecerf Jean Philippe : 44 : Chief Financial Officer** ^~ : 4601587 : Business Degree (Institut Commercial Supérieur) / Diplôme d'Expertise-Comptable (CPA) : 22 : 01.07.2010 : Planet of Hospitality : Group Chief Financial Officer :: Raghava Ranjeet Singh : 38 : Manager - ER : 219927 : MBA, LLB : 15 : 26.02.2007 : Honda Seil Car India Ltd. : Asstt Manager - ER & IR :: Singh Hundal Sarabjit : 50 : Manufacturing Director - ASEAN ^ : 2058190 : M.Sc., Advanced Course in Mgmt : 25 : 15.11.2010 : CEAT Ltd : VP-Mfg :: Vinodan Vellat : 58 : Sr. Accounts Officer : 893462 : BSc. : 36 : 12.08.1974

Notes:

1. Remuneration as shown above includes Salaries, Bonus, Company's contribution to Provident Fund, Leave Travel, House Rent Allowance, Expenditure incurred on providing Housing, Medical and other facilities.
 2. Employees named above are/were whole time employees of the Company.
 3. Conditions of employment provide for termination of services by either party upon giving three month's notice and in the case of employees marked** upon giving one month's notice.
 4. None of the employees named above is a relative of any director.
 5. Designation of the employees indicates the nature of duties.
- ^ Non- Board Member as on December 31, 2010.
 ~ Jean Philippe Lecerf has been appointed as wholtime Finance Director effective July 1, 2010 and ceased effective the close of Business hours on October 31, 2010, however, w.e.f November 1, 2010, Mr Lecerf is continuing as Chief Financial Officer (CFO) of the Company.
 * Yashwant Singh Yadav was Vice President - Human Resources & Corporate Affairs during the year and effective November 1, 2010 was appointed as wholtime Director designated as Director - HR & Corporate Affairs.

Corporate Governance

Goodyear India Limited is a subsidiary Company of The Goodyear Tire & Rubber Company, Akron, Ohio, USA. The Company's corporate philosophy is enshrined in a manual titled '**Business Conduct Manual**' for Global Operations. The core values, inter-alia, include conducting business in accordance with the highest applicable legal and ethical standards, ensuring the highest standards of product quality and services to the consumers with a view to create value that can be sustained continuously for the benefits of its customers, shareholders and the associates. The Company has implemented the requirements placed under Clause 49 of the Listing Agreement with the stock exchanges (hereinafter referred to as 'Clause 49'). The Report of the Company on Corporate Governance is as under:

1. Code of Conduct

In terms of the requirement of clause 49, the Board of Directors of the Company, in line with the corporate philosophy laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is displayed at website www.goodyear.co.in. As required, a declaration duly signed by the Managing Director regarding compliance with the above code is attached as Annexure-A.

2. Board of Directors

The composition of the Board of Directors of the Company, in compliance with Clause 49 of the Listing Agreement, as on December 31, 2010 is given below:

Name	Status i.e. Promoters, Executive, Non-executive, Independent non-executive, nominee of Financial Institution	No. of Board Meetings of the Company		Number of Membership in other Boards or other Committees as a member or chairperson		Whether attended the last AGM
		Held during the year	Attended during the year	Board*	Committee**	
Mr Rajeev Anand	Executive	6	6	None	None	Yes
Mr Yashwant Singh Yadav	Executive	6 (None during his tenure)	None	None	None	NA
Mr R V Gupta	Independent Non-Executive	6	6	6	5 (including 1 as Chairman)	Yes
Mr C Dasgupta	Independent Non-Executive	6	6	None	None	Yes
Mr Rajiv Lochan Jain	Independent Non-Executive	6	6	1	1	Yes
Mr Pierre E Cohade	Non-Independent Non-Executive	6	4	None in India	None in India	No
Mr Brad Lakhia (i) (Alternate Director to Mr Pierre E Cohade)	Non-Independent Non-Executive	6	None	None in India	None in India	No
Mr Daniel Ackerman (ii) (Alternate Director to Mr Pierre E Cohade)	Non-Independent Non-Executive	6	1	None in India	None in India	No
Mr Quek Khai Whatt (iii)	Non-Independent Non-Executive	6 (2 during his tenure)	1	None in India	None in India	No
Mr Jean Philippe Lecerf (iv)	Executive	6 (2 during his tenure)	2	None in India	None in India	No
Mr Hugo O Dedekind (v)	Executive	6 (2 during his tenure)	2	None in India	None in India	No

- * Excluding interest in Societies/Trust/Private Companies/ Limited Liability Partnerships.
- ** Includes Audit Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies only.
- (i) Mr Brad Lakhia was alternate Director to Mr Pierre E Cohade for the period August 11, 2010 - October 24, 2010 and appointed again from October 26, 2010.
- (ii) Mr Daniel Ackerman was alternate Director to Mr Pierre E Cohade for the period January 1, 2010 - February 9, 2010, February 10, 2010 - February 22, 2010 & February 24, 2010 - August 8, 2010.
- (iii) Mr Quek Khai Whatt, Director appointed, effective April 27, 2010 and ceased effective the close of business hours on June 30, 2010
- (iv) Mr Jean Philippe Lecerf was appointed as wholetime Finance Director w.e.f July 1, 2010 and ceased from directorship effective the close of business hours on October 31, 2010. However Mr Lecerf is continuing to be the Chief Financial Officer (CFO) of the Company.
- (v) Mr Hugo O Dedekind, wholetime Finance Director ceased effective the close of business hours on March 31, 2010.

During the year, there was no pecuniary relationship or business transaction by the Company with any non-executive Director, other than the sitting fee for attending the Board/ Committee meetings as well as the travelling/conveyance expenses incurred for attending Company's business/meetings.

During the year 2010, six Board Meetings were held on February 9, 2010, February 23, 2010, April 27, 2010, June 8, 2010, August 9, 2010 & October 25, 2010.

3. Audit Committee

The constituted Audit Committee has the terms and roles as specified in Clause 49 of the Listing Agreement, Section 292 A of the Companies Act, 1956. As per Listing Agreement at least two-thirds of the members of Audit Committee should be Independent Directors. The current Audit Committee of your Company consists of 4 Directors namely Messrs R V Gupta, C Dasgupta, Rajiv Lochan Jain, Independent Directors and Mr Rajeev Anand, Managing Director. Mr R V Gupta, an Independent Non-Executive Director who possesses accounting and financial related management expertise, is the Chairman of the Committee.

The Company Secretary acts as the Secretary of the Committee.

During the year 2010, five Audit Committee meetings were held on February 23, 2010, April 27, 2010, June 8, 2010, August 9, 2010 & October 25, 2010.

Attendance at Audit Committee Meetings

Name of the Member	Number of meetings attended
Mr R V Gupta	5
Mr C Dasgupta	5
Mr Rajiv Lochan Jain	5
Mr Rajeev Anand	5

4. Remuneration of Directors

The remuneration policy for the wholetime Director/Managing Director of the Company is based on the broad principles of payment of remuneration by the parent company to its executives, i.e. a portion of remuneration is paid on fixed basis and the remaining portion of the remuneration is based on the results. The remuneration payable to the wholetime Directors for the year under review was approved by the Board of Directors. The Shareholders' approval would be sought in the ensuing general meeting. Since Mr Jean Philippe Lecerf, prior to his appointment as wholetime Director in the Company, was not resident in India for a period of 12 months, an application dated September 3, 2010 had been filed with the Central Government for Mr Jean Philippe Lecerf's appointment and payment of remuneration. The remuneration of Mr Jean Philippe Lecerf as approved by the Board of Directors of the Company is within the limit prescribed under Schedule XIII to the Companies Act, 1956. The brief information is as under:

Names of the wholetime Directors

Details	Rajeev Anand Managing Director	Yashwant Singh Yadav, Wholetime Director (Appointed effective November 1, 2010)	Jean Philippe Lecerf, Finance Director (Appointed effective July 1, 2010 & ceased effective the close of business hours on October 31, 2010)*	Mr Hugo O Dedekind, Finance Director (Resigned effective the close of business hours March 31, 2010)
i) Service Contract Valid upto	February 19, 2014**	October 31, 2015**	October 31, 2010	March 31, 2010
ii) Monthly Salary	Rs. 2,91,944/-	Rs. 2,50,000/-	Rs. 1,00,000/-	Rs. 82,500/-
iii) Monthly Special Allowance	Rs. 3,42,158/-	Rs. 2,70,000/-	Not Applicable	Not Applicable
iv) Commission	Not Applicable	Not Applicable	Based on Net profits restricted to 100% of annual salary. Actual paid - Rs 4,00,000/-.	Not Applicable
v) Performance Bonus	As determined by the Board based on the net profit restricted to Rs. 56,06,911/- in a year	As determined by the Board based on the net profit restricted to Rs. 26,96,994/- in a year	Not Applicable	Not Applicable
vi) House Rent Allowance/Leased Accommodation	Company's Accommodation or House Rent Allowance restricted to Rs. 2,32,385/- per month.	Company's Accommodation or House Rent Allowance restricted to 60% of the salary.	Company's Accommodation. Actual paid Rs 5,25,000/- per month.	Company's Accommodation. Actual paid Rs 2,41,875/- per month.

* Mr. Jean Philippe Lecerf is continuing as Chief Financial Officer of the Company.

** Terminable by giving 90 days notice from either side expiring at the end of calendar month.

Note: 1. No severance fee is payable to any Director.

2. Sitting fee was paid only to non-executive independent Directors.

Benefits: The entitlement to the wholetime Directors, inter-alia, include personal accident insurance, fees of clubs, medical expenses reimbursement subject to a ceiling of four months' salary for each completed year of service or twelve months' salary over a period of three completed years of service, expenditure on gas, electricity, water and furnishings, the Company's car and telephone at residence etc.

Personal long distance calls on telephone and use of car for private purpose shall be billed by the company.

Company's Contribution to Provident Fund as per the applicable laws as well as employee's share of contribution and Return Passage for home country for self and family incurred in accordance with the rules of the Company are also the entitlements of

Messrs Jean Philippe Lecerf and Hugo O Dedekind. Messrs Lecerf and Dedekind are also entitled for actual expenses incurred, if any, on travel and on packing, forwarding, loading or unloading as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with the moving of personal effects for self and family for joining duty in India in case these have not been claimed from previous employer. Such expenses would also be allowed on finally leaving the employment of the Company, if Messrs Lecerf and Dedekind are not joining any other branch of the Company or related Company.

In addition to the above, Mr Jean Philippe Lecerf was also entitled for recreation/ holiday trip once in a year for self and family in accordance with the rule of the Company, Children Education Allowance, in case of children studying in or outside India, an actual

expense limited to Rs. 6,00,000/- per annum per child, return holiday passage once in a year by economy class to children from their place for study abroad to India and to the members of the family from the place of their stay abroad in India, if they are not residing in India with Mr. Lecerf and Mr. Lecerf was also entitled for personal driver salary reimbursement not exceeding Rs. 2,50,000/- in a year.

The other entitlements of Mr Rajeev Anand and Mr Yashwant Singh Yadav, inter-alia, include contribution gratuity at the rate of one half month's salary for each completed year of service in the Company, as per the rules of the Company, encashment of leave at the end of the tenure, as per the rules of the Company and recreation/holiday trip once in a year for self and family in accordance with the rules of the Company, subject to a ceiling of Rs 90,000/- in a year, personal driver salary reimbursement not exceeding Rs. 2,50,000/- in a year, contribution to Provident Fund to the extent these either singly or put together are not taxable under the Income Tax Act. In addition to this, Mr Rajeev Anand is also entitled for Superannuation Fund. Provided that any contribution made as per the company's rules applicable for other Senior Management Staff of the Company, which is in excess of the exemption limit prescribe under the Income Tax Act would be included for computation of tax.

The remuneration paid is within the limits specified in Schedule-XIII of the Companies Act, 1956 and has due approval from the Board of Directors and requires approval of Shareholders of the Company for certain revision in the remuneration of Mr Rajeev Anand made effective May 1, 2010 and remuneration of Mr Jean Philippe Lecerf for the period July 1, 2010 to October 31, 2010, the details whereof were circulated by the Company to the Shareholders vide abstract under section 302 of the Companies Act, 1956 dated June 8, 2010 and remuneration of Mr Yashwant Singh Yadav made effective November 1, 2010. Further the details whereof were circulated by the Company to the Shareholders vide abstract dated November 1, 2010. The details thereof would also be appearing in the notice of the ensuing Annual General Meeting for obtaining Shareholders' approval.

The Company has not formed any Remuneration

Committee pursuant to Clause 49 of the Listing Agreement as the formation of the same was not mandatory.

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

A reference to Note No. (h) of schedule 15 of the annual accounts of the Company for the year ended December 31, 2010 can also be made for Directorship remuneration details.

5. Shareholders' /Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee consists of Mr C Dasgupta, a non-executive Director as Chairman and Mr R V Gupta, Mr Rajiv Lochan Jain, Mr Jean Philippe Lecerf (July 1, 2010 to October 31, 2010) & Mr Yashwant Singh Yadav (effective November 1, 2010) as Members to look into the matters concerning redressal of Shareholders'/Investors' complaints like transfer of shares, non-receipt of balance sheet / declared dividend etc.

During the year 2010, two Shareholders' /Investors' Grievance Committee meetings were held on June 4, 2010 & October 25, 2010.

Attendance at Shareholders'/Investors' Grievance Committee Meetings:

Name of the Member	No. of Meetings attended
Mr R V Gupta	2
Mr C Dasgupta	2
Mr Rajiv Lochan Jain	2
Mr Yashwant Singh Yadav*	None
Mr Jean Philippe Lecerf**	1

* Appointed effective November 1, 2010.

** Ceased effective the close of business hours on October 31, 2010.

Skyline Financial Services Pvt. Ltd., New Delhi, is the Share Transfer Agent of the Company. The Company has delegated the authority for share transfers to the employees of the Company to ensure that the share transfer formalities are attended regularly once in a fortnight and also to oversee the share transfer area of the Company. Mr Shant Kumar Jain for the period January 1, 2010 to October 31, 2010 and Mr Pankaj

Gupta effective November 1, 2010, Company Secretary are the Compliance Officer's of the Company respectively.

11 reminders/complaints received during the year 2010 have duly been replied.

6. Directors

In the Board Meeting held on June 8, 2010, Mr Jean Philippe Lecerf was appointed as Additional Director as well as wholtime Finance Director for a period of 3 years effective July 1, 2010, while he ceased as Director and wholtime Finance Director, effective the close of business hours on October 31, 2010. However, effective November 1, 2010, Mr Jean Philippe Lecerf is continuing as Chief Financial Officer (CFO) of the Company.

Mr. Lecerf is a Finance Executive with over 23 years of experience in 7 countries. He is Certified Public Accountant with broad international background; Mr. Lecerf has combination of strong accounting and finance expertise with in depth knowledge of business dynamics. He has balance exposure to both start up businesses & large established operations and excellent ability to adapt to complex, demanding & volatile environments.

During his tenure as Director, he was the member of Shareholders' / Investors' Grievance Committee of the Company. He is also the Director on the Board of Goodyear South Asia Tyres Private Limited. An item for approval of Mr Lecerf's appointment and remuneration paid has been included in the notice for the ensuing Annual General Meeting.

In the Board Meeting held on October 25, 2010, Mr Yashwant Singh Yadav was appointed as Additional Director as well as wholtime Director designated as Director- HR & Corporate Affairs, effective November 1, 2010.

Mr. Yadav is a Bachelor in Law and an MBA with specialization in Human Resources. He has more than 28 years of professional and diverse experience in the entire gamut of Human Resources Management with large multi-national and Indian organizations including Ballarpur Industries, Goodyear India, Escorts Ltd. and General Motors India at leadership levels. He was the Vice President-Human Resources &

Corporate Affairs of Goodyear India Limited before the appointment as Director-HR & Corporate Affairs.

He is also the member of Shareholders' / Investors' Grievance Committee of the Company.

In the Board Meeting held on April 27, 2010, Mr Quek Khai Whatt was appointed as Additional Director, effective April 27, 2010 and ceased effective the close of business hours on June 30, 2010.

Mr Quek, aged 43 years, is Finance Director & Treasurer of Goodyear Orient Company Private Limited (GOCPL), a wholly owned subsidiary of The Goodyear Tire & Rubber Company. He also oversees treasury functions of Goodyear Asia Pacific. He has more than 16 years of experience in the fields of banking, finance and corporate treasury with various global multinational corporations including General Electric Infrastructure Group as Treasurer, Asia. He was also the Director on the Board of Goodyear South Asia Tyres Private Limited.

Mr Rajiv Lochan Jain is retiring by rotation in the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment. His brief resume is given below:

Mr Rajiv Lochan Jain is a Chemical Engineer from IIT Kharagpur and an MBA from the Whittemore School of Business and Economics, UNH (USA). He was born on January 1, 1951 and did his schooling from St Xavier's Collegiate School, Kolkata.

Mr Jain was a member of the Board of ICI India Limited, a publicly traded company, for over 12 years. He was the Managing Director from April 2003 to May 2009 and prior to this role he was the Chief Operating Officer and Finance Director.

Mr Jain was also the Chairman of both ICI's Research Company in India and the joint-venture company of ICI and Orica, Australia. He is an Independent Director on the Board of Tara Jewels Limited and Chairman of Performance Capital Partners.

He is also a member of the Shareholders'/Investors' Grievance Committee and the Audit Committee of the Company.

7. General Body Meetings

Location and time where the last three Annual General Meetings were held are as under:-

Meeting	Venue	Date	Time
49 th AGM	Magpie Tourism Complex Sector-16A, Faridabad, Haryana	June 4, 2010	3.30 P.M.
48 th AGM	-do-	June 19, 2009	3.30 P.M.
47 th AGM	-do-	May 16, 2008	3.30 P.M.

Special Resolution passed at the last three Annual General Meetings.

Date of AGM	Description of Special Resolution
June 4, 2010	Revision in remuneration of Mr Rajeev Anand, Managing Director
June 19, 2009	<ul style="list-style-type: none"> i) Increase in sitting fees payable to Directors who are neither in wholtime employment of the Company nor a Managing Director; ii) Appointment and payment of remuneration to Mr Rajeev Anand as wholtime Managing Director of the Company; iii) Revision in remuneration payable to Mr Hugo Dedekind as wholtime Finance Director of the Company; iv) Re-appointment of Mr Hugo Dedekind as wholtime Finance Director of the Company.
May 16, 2008	Appointment and payment of remuneration to Mr Prabhakar Jain as wholtime Managing Director.

Special Resolution passed through Postal Ballot

The Company, pursuant to Section 192A (2) of the Companies Act, 1956 vide its Postal Ballot Notice dated March 4, 2010 passed the special resolution in respect of voluntary delisting of equity shares of the Company from the Bombay Stock Exchange Limited

in terms of the Delisting Regulations and other applicable provisions of law.

In order to conduct and supervise the process, the Board authorized Mr Rajeev Anand, Managing Director, Mr Shant Kumar Jain, Company Secretary and Mr B K Sethi as scrutinizer for conducting the postal ballot process.

The Result of the postal ballot was announced by the scrutinizer Mr B K Sethi on April 7, 2010 at 11:30 A.M. at the Registered Office of the Company after due scrutiny of all the Forms received up to the close of working hours of April 3, 2010 (being the last date fixed for return of Forms duly filled in by the Members). The resolution was passed with requisite majority and votes cast by public shareholders in favor of the resolution was approximately 4.84 times the votes cast by public shareholders against it.

The Shareholders passed all the resolutions including the special resolutions set out in the respective Notices.

None of the resolutions is proposed to be conducted through postal ballot.

8. Disclosures

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large:

The Company in its normal course of business, has had sale/purchase transactions with the parent Company, The Goodyear Tire & Rubber Company, Akron, Ohio, USA and/or its subsidiaries etc. abroad as well as with Goodyear South Asia Tyres Private Limited (GSATPL), Aurangabad, Maharashtra (India) on arms' length basis and the same were not considered to be in conflict with the interest of the Company. In addition to the aforesaid transactions, your Company has entered into a service agreement to avail the support from The Goodyear Tire & Rubber Company, Parent Company in all the areas of its operations, to receive services of Information

Technology, Procurement, Production, Supply Chain, Sales & Marketing, Finance and General & Administration effective January 1, 2011 in supersession of the Service Agreement dated January 01, 2010.

In the year 2010, Messrs Rajeev Anand, Jean Philippe Lecerf, Quek Khai Whatt, and Hugo O Dedekind, the Directors of your Company were also on the Board of GSATPL during their respective tenures.

Normal payment of sitting fees for attending the Board Meetings and Committee Meetings as well as the travelling / conveyance expenses etc. incurred for attending the Company's business / meetings by the Directors (wholtime and non-wholtime) are also not considered to be of any significant nature. The remuneration details are in clause 4 above.

The Company has not had any transaction of material nature with the Directors and / or their relatives during the year under review that would have conflict with the interest of the Company at large. The disclosure of transactions with the related parties per Accounting Standard 18 is appearing in Note (M) of schedule 15 of the annual accounts with the Company for the year ended December 31, 2010.

The Business Conduct Manual of the Parent Company applicable for Global Operations including your Company, a copy of which is circulated to associates of the Company, inter alia, provides that associates could anonymously report violations by calling on the toll free number mentioned therein. This is affirmed that no personnel have been denied access to the Audit Committee.

Details of non-compliance, penalties, strictures by Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets during last three years:-

None

9. Means of Communication

The quarterly/annual results of the Company are normally published in the Statesman in English and Veer Arjun in Hindi.

Half yearly reports were not sent to the shareholders. The quarterly results & shareholding pattern are being displayed at website www.goodyear.co.in under the head 'Investor Relation/Media Center'. In terms of Clause 52 of the Listing Agreement with the Stock Exchanges, certain documents/information relating to the Company are also accessible on the website www.corpfiling.co.in.

No presentations were made by the Company to the Analysts. 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.

10. General Shareholders Information

Date, Time and Venue of the Annual General meeting	- Tuesday, June 21, 2011 at 3.30 P.M. Magpie Tourism Complex Sector 16A, Faridabad, Haryana.
Financial Year	- January 01 to December 31
Book Closure	- June 10, 2011 to June 21, 2011(Both days inclusive)
Dividend payment date	- On or after June 22, 2011 but within the statutory time limit.
Listing on Stock Exchanges	- The Bombay Stock Exchange Ltd. *(BSE), Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400 001. Listing Fees up to 2010-2011 duly paid.
Stock Code	- BSE - 500168
Registrar & Transfer Agents	- Skyline Financial Services Pvt. Ltd., D-153/A, 1st Floor, Okhla Industrial Area Phase-1, New Delhi 110 020

*During the year based on the decision taken and communicated by its Promoter, The Goodyear Tire & Rubber Company, for delisting of its equity shares from the Bombay Stock Exchange Limited ("BSE"), in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations") either directly or through one or more of its subsidiaries. After passing of the resolution by Board of your company, shareholders of the company approved the proposal for delisting of its equity shares on April 7, 2010 by postal ballot and BSE granted it's in principle approval on April 27, 2010.

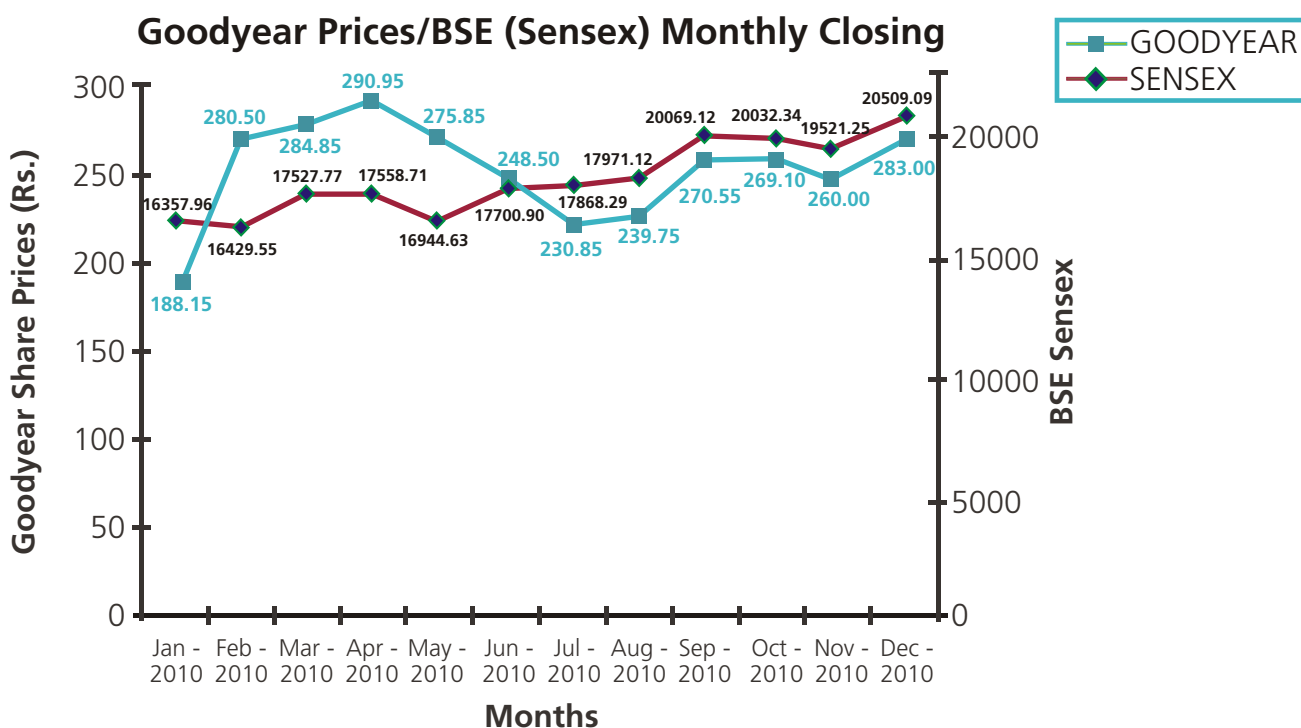
Pursuant to the Delisting Regulations, Goodyear Orient Company Private Limited, a wholly owned subsidiary of the promoter, The Goodyear Tire & Rubber Company, invited bids by way of public announcement dated May 13, 2010, to acquire, in accordance with the Delisting Regulations and terms and conditions set out in the Public Announcement, up to 5,997,292 equity shares of the company, representing 26% of the equity capital (the "Offer Shares") for which the approval was obtained from shareholders by way of postal ballot.

The number of Offer Shares tendered by the public shareholders at or below the discovered price was less than the minimum number of Offer Shares required to be accepted for the delisting offer to be successful in terms of Delisting Regulations. Accordingly, the delisting offer is deemed to have failed in terms of the Delisting Regulations.

The Company thus continues to remain listed on BSE.

Market Price Data: High, Low on Bombay Stock Exchange (BSE) during each month in the last Financial Year-2010

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
January	207.70	175.00	July	260.00	230.00
February	295.00	180.00	August	249.80	230.15
March	296.40	278.70	September	305.00	239.15
April	298.00	280.55	October	300.90	264.00
May	409.45	262.00	November	288.00	251.10
June	278.70	224.20	December	287.00	230.00



Share Transfer System

Skyline Financial Services Pvt. Ltd. is the Share Transfer Agents of the Company for handling both physical share registry work and Demat share

registry work. The shares received for transfers complete in all respect in physical form are registered and dispatched normally within three weeks. Demat confirmations are normally sent within 2 weeks and 30 days in the case of bulk request.

Distribution of Shareholding as on December 31, 2010

No. of shares held	Folios		Shares held	
	Numbers	Percentage	Numbers	Percentage
Upto 500	20,970	93.57	1,695,293	7.35
501 - 1000	842	3.76	623,189	2.70
1001 - 5000	503	2.24	1,061,177	4.60
5001 - 10000	48	0.21	358,911	1.56
10001 and above	49	0.22	19,327,937	83.79
Total	22,412	100.00	23,066,507	100.00

Shareholding Pattern as on December 31, 2010

Description of Investors	No. of shares held	% of shareholding
1. Promoters	17,069,215	74.00
2. Financial Institutions, Insurance Companies, Banks and Mutual Funds etc.	1,185,509	5.14
3. Foreign Institutional Investors	229,522	1.00
4. Private Corporate Bodies	749,527	3.25
5. NRIs / OCBs	185,650	0.80
6. Indian Public	3,647,084	15.81
Total	23,066,507	100.00

Dematerialisation of shares and liquidity

21.62% of the Share Capital is held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) as on December 31, 2010.

Unclaimed Suspense Account

The Registrar and Share Transfer Agent of the Company i.e M/s Skyline Financial Services Pvt. Ltd. is in the process of sending reminders asking for the

correct particulars. Accordingly, the Company will create "Unclaimed Suspense Account" in terms of the provisions as contained under clause 5A of the Listing Agreement.

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.

Plant location	Mathura Road, Ballabgarh, Dist. Faridabad, Haryana - 121 004	Non Mandatory Requirements The Company has not adopted the non mandatory requirements as mentioned in Annexure-I D of amended Clause 49 of the Listing Agreement.
Corporate Office	1st Floor, ABW Elegance Tower, Plot No. 8, Commercial Centre, Jasola, New Delhi - 110025	CEO/CFO Certificate In terms of the requirement of the Clause 49, the certificates from CEO/CFO had been obtained.
Investors' correspondence may be addressed to	M/s Skyline Financial Services Pvt. Ltd. D-153/A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi 110 020	On behalf of the Board of Directors
Website	www.goodyear.co.in	Aurangabad
E-mail ID	goodyearindia_investorcell@ goodyear.com	February 21, 2011
		Rajeev Anand Managing Director

Annexure-A

Corporate Governance Report
of Goodyear India Limited
Dated February 21, 2011

Declaration regarding affirmation of Code of Conduct

All the members of the Board and the senior management personnel have, for the year ended December 31, 2010, affirmed compliance with the code of conduct laid down by the Board of Directors in terms of clause 49 of the Listing Agreement with the Stock Exchange.

Aurangabad
February 21, 2011

Rajeev Anand
Managing Director

Management Discussion & Analysis

1. Industry Structure & Developments

At macroeconomic level, the Indian economy has been experiencing strong growth, with the Central Economic Advisory (CEA) expecting GDP up 8.5% for 2010-2011. The strong economy, coupled with improving consumer confidence and a good monsoon, helped spark strong demand for tractors and passenger vehicles, the primary focus segments for your Company.

The tractor industry in India has witnessed a growth of 27% in 2010 (Source: Tractor Manufacturers Association). This resulted in an increased demand for tyres which your Company capitalized on, with strong sales growth of tractor tyres to OEM customers and in the replacement market.

Similarly, new passenger vehicles sales grew at 29% (Source: Society of Indian Automobile Manufacturers), translating into strong consumer tyres demand from OEM customers. The replacement market increased as well, following the brief slowdown experienced late 2008 and early 2009. This fueled strong growth in your Company's consumer tyres sales.

2. Opportunities and Threats

The tractors and passenger vehicles markets are expected to continue to grow briskly, which augurs well for the future of your Company.

In the farm segment, growing levels of farm mechanization and subsequent growth in all agriculture related industries should provide your Company with attractive growth prospects. Your Company also plans to take farm tyres to a new technological platform by introducing radial products. Currently the farm tyre industry predominantly sells bias products.

While your Company is poised to capitalize on these opportunities, the farm tyres segment remains very competitive. Rising raw material prices, especially natural rubber, are expected to add to the challenges ahead. Your Company's large customer base and

robust quality products, coupled with the introduction of innovative products, should help mitigate the challenges posed.

In the passenger radial segment, the increasing sophistication of the vehicles being launched in India provides your Company with a significant opportunity to leverage Goodyear global technology. Investments being made in road infrastructure should also support new vehicles sales growth as well as the amount people drive. Both of these are expected to result in further growth in the segment.

However, rising and volatile raw material prices are a concern as can be the Company's ability to recover such increases from the market. Competitive environment remains fierce. Low cost imported products further add to the challenges. Your Company remains committed to bringing in the best technology, branding & product differentiation to ensure it is well positioned to counter these threats.

Finally, macroeconomic indicators are always an area of caution as most passenger vehicles are financed. High inflation and continued increases in interest rates could have a negative impact on sales of passenger vehicles. Uncertainty created by monsoon is another variable which can impact demand in the farm segment.

3. Segment-wise/ Product-wise performance

The Company manufactures automotive bias tyres viz. Farm tyres and Medium Commercial Truck tyres at its Ballabgarh plant and also trades in "Goodyear" branded tyres (including Radial passenger and Off-the-road Bias Tyres) manufactured by Goodyear South Asia Tyres Private Limited (GSATPL) Aurangabad, pursuant to an off-take agreement entered into with that company. The other products in which the Company deals in include tubes & flaps. The sales performance during the year is as follows:

	Rs. in Million
Tyres	13,005
Flaps	24
Tubes	744

Your company feels proud to have been awarded the "Tractor Proprietary Award" for 2010 by Mahindra & Mahindra - the largest producer of tractors across the globe. It has also won accolades from several other key tractor manufacturers including M&M Swaraj and International Tractors Ltd.

Last but not least, your Company has been awarded the prestigious "Superbrand" status for 2010-2011 and will be featured in the upcoming edition of Superbrands India. This recognition speaks of the business excellence of Goodyear as a brand, and is a rewarding reflection of the quality of the products and services delivered by your Company.

4. Outlook

As per the Central Economic Advisory (CEA), the Indian economy is expected to continue to grow at a fast pace, with GDP growth forecasted at 9% for 2011-2012. However, cost and competitive pressures are expected to stay.

In this context, your Company will continue to focus on the review of activities in different areas of operations under the umbrella of the Continuous Improvement System (CIS). The CIS is an integral part of your Company's philosophy to maximize gains and reduce costs in order to address the market realities.

In the tyre industry, strong growth is expected to continue in both the farm tyres and the consumer tyres segments. Your Company intends to maintain its focus on the production of farm tyres to retain its leadership in the said segment, and to further consolidate its strong position in the consumer tyres segment.

5. Risks and Concerns

As highlighted earlier, raw material price increases, higher inflation levels and increasing interest rates are areas of concerns. As your Company's products are largely intended for sale in the domestic market, imported tyres offered on the market at particularly low prices are also a challenge.

Approximately 23% of the net sales of your Company were attributable to the sale of products procured from Goodyear South Asia Tyres Private

Limited, pursuant to the off-take agreement with the said company. This off-take agreement is on a non-exclusive basis and can be terminated by either party with a four months notice.

The prevailing uncertainty in some of the legal challenges such as The Haryana Tax on Entry of Goods Into Local Areas Act, 2008 (Entry Tax Act) passed by the State Government of Haryana repealing the earlier Haryana Local Area Development Tax Act, 2000 (HLADT Act), certain other disputes/demands raised against the Company, arbitrary disallowances in certain tax proceedings, untenable disputes raised by consumers etc. are also the areas of concern perceived by your Company.

Your Company has blocked certain funds in order to secure a few of these demands in terms of the court order(s). As in the past, your Company has obtained insurance coverage for its assets. However, no cover for the foreign exchange risk was obtained for its foreign exchange exposures.

6. Internal control systems and their adequacy

Your Company has a proper and adequate system of internal control.

Your Company has an Audit Committee headed by a non-executive independent director, inter alia, to oversee your Company's financial reporting process, disclosure of financial information, performance of statutory and internal auditors, functions, internal control systems, related party transactions, investigations relating to suspected fraud or failure of internal audit control, etc. as well as other areas requiring mandatory review per clause 49 of the Listing Agreement with the stock exchange. 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. Your Company's Internal Audit department verifies the information concerning the efficiency and effectiveness of its operations, the reliability and accuracy of the financial statements as well as the compliance with your Company policies so as to maintain accountability of all its assets and the authenticity and correctness of the recorded transactions. The scope, coverage, control

weakness and other relevant issues and updates are shared by Internal Audit at appropriate management levels for corrective action and the progress thereof is tracked.

7. Discussion on financial performance with respect to operational performance

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

	Rs. in Million	
	2010	2009
Total Sales & other Income	13,944	10,735
Less: Excise Duty	<u>801</u>	<u>535</u>
Net Sales & other income	13,143	10,200
Profit Before Interest, Depreciation & Tax	1,298	1,274

The financial performance of your Company has been further explained in the Directors' Report of your Company for the year 2010, appearing separately.

8. Human Resources

The employee relations have remained cordial throughout the year and industrial harmony was maintained. Measures for the safety of the employees, training and development continued to receive top priority. The total number of salaried and hourly paid associates, as at December 31, 2010, stood at 976.

Cautionary Statement

Certain statements in the Management Discussion and Analysis describing your 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. Your Company's operations may, inter alia, be affected by the supply and demand situations, input prices and availability, changes in Government regulations, tax laws and other factors such as industry relations and economic developments etc. Investors should bear the above in mind.

Auditors' Certificate regarding compliance of conditions of Corporate Governance under clause 49 of the listing agreement

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 December 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange in India.

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 (as stipulated in Clause 49 of the Listing Agreement), 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 Clause 49 of the above-mentioned Listing Agreement.

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

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

H.Singh
Partner

Membership No. F-86994

Place: Aurangabad
Dated: February 21, 2011

Auditors' Report To The Members Of Goodyear India Limited

1. We have audited the attached Balance Sheet of Goodyear India Limited (the "Company"), as at December 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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 a statement on the matters specified in paragraphs 4 and 5 of the Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

(a) We have 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 appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors, as on December 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

(f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2010;

(ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse

Firm Registration No. 301112E
Chartered Accountants

H. Singh

Partner
Membership Number F- 86994
Place: Aurangabad
Date: February 21, 2011

Annexure To Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Goodyear India Limited on the financial statements for the year ended December 31, 2010]

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets 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 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 between the book records and the physical inventory have been noticed.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.

2. (a) The inventory (including stocks with third parties) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

(b) The Company has not taken any loans, secured

or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.

6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, 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.

9. (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 the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, 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, the particulars of dues of sales-tax and excise duty as at December 31, 2010 which have not been deposited on account of a dispute, are as follows [Also refer Note b (iii) on Schedule 15]:

11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any bank as at the balance sheet date. The Company has not issued any debentures and further there are no dues from any financial institutions as at the balance sheet date.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.

14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

Sr No.	Name of the statute	Nature of dues	Period to which the amount relates	Amount (Rs. '000)	Forum where the dispute is pending
1	Central and State Sales Tax Acts	Sales Tax / VAT	1979-1980 1985-1988 1995-2008	50,641	First level of Appellate Authority i.e. Assistant Commissioner/ Deputy Commissioner/ Joint Commissioner/ Commercial Taxes Appellate and Revisional Board
			1992-1993	45	Sales Tax Tribunal
			1978-1979 1987-1988	785	High Court
2	The Central Excise Act, 1944	Excise Duty	2005-2010	31,675	First level of Appellate Authority i.e. Assistant Commissioner Central Excise/Commissioner Central Excise (Appeals) (Rs.29,274 thousand paid under protest subsequently in January 2011)
			1997-1998 2000-2001	3,054	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

10. The Company has no accumulated losses as at December 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or

financial institutions during the year, are not prejudicial to the interest of the Company.

16. The Company has not obtained any term loans.

17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

19. The Company has not issued any debentures.

20. The Company has not raised any money by

public issues during the year.

21. 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Price Waterhouse

Firm Registration No. 301112E
Chartered Accountants

H. Singh

Partner
Membership Number F- 86994
Place: Aurangabad
Date: February 21, 2011

Balance Sheet

BALANCE SHEET AS AT DECEMBER 31, 2010

	Schedule No. (Note reference)	As at December 31, 2010 (Rs.'000)	As at December 31, 2009 (Rs.'000)	
SOURCES OF FUNDS				
Shareholders' Funds				
Capital	1	230,665	230,665	
Reserves and Surplus	2	2,476,884	1,917,672	
Deferred Tax Liability (Net)	15 (c)	101,760	107,723	
		2,809,309	2,256,060	
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	3	3,042,584	2,771,648	
Less: Depreciation		1,657,525	1,568,407	
Net Block		1,385,059	1,203,241	
Capital Work in Progress		594,744	363,173	
		1,979,803	1,566,414	
Current Assets, Loans and Advances				
Inventories	4	612,988	516,629	
Sundry Debtors	5	976,632	986,667	
Cash and Bank Balances	6	2,179,401	1,587,722	
Loans and Advances	7	182,026	163,831	
		3,951,047	3,254,849	
Less: Current Liabilities and Provisions	8			
Liabilities		2,688,692	2,121,478	
Provisions		432,849	443,725	
Net Current Assets		829,506	689,646	
		2,809,309	2,256,060	
Significant Accounting Policies and Notes to Accounts				
	15			
This is the Balance Sheet referred to in our report of even date.		The Schedules referred to above form an integral part of the Balance Sheet.		
For Price Waterhouse Firm Registration Number : 301112E Chartered Accountants	Pierre E. Cohade Chairman	Rajeev Anand Vice Chairman & Managing Director	Yashwant Singh Yadav Director	R V Gupta Director
H.Singh Partner Membership No. F-86994	C Dasgupta Director	Rajiv Lochan Jain Director	Jean Philippe Lecerf Chief Financial Officer	Pankaj Gupta Company Secretary
Place: Aurangabad Date: February 21, 2011				

Profit & Loss Account

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2010

	Schedule No. (Note reference)	For the year ended December 31, 2010 (Rs.'000)	For the year ended December 31, 2009 (Rs.'000)
INCOME			
GROSS SALES	9	13,773,592	10,685,812
Less: Excise Duty		801,314	534,776
NET SALES		12,972,278	10,151,036
Other Income	10	171,047	48,704
		13,143,325	10,199,740
EXPENDITURE			
Raw Material Consumed	11	6,528,379	4,296,745
Work in Process and Finished Goods	12	2,888,364	2,660,605
Increase / (decrease) in Excise Duty on Finished Goods		4,924	(13,522)
Manufacturing, Selling and Administrative Expenses	13	2,423,452	1,981,668
		11,845,119	8,925,496
PROFIT BEFORE INTEREST AND DEPRECIATION		1,298,206	1,274,244
Interest Expenses	14	35,569	34,034
Depreciation (net)	15(n)	153,386	126,089
PROFIT BEFORE TAX		1,109,251	1,114,121
Provision for Taxation :			
- Current Tax		367,103	383,302
- Deferred Tax	15(c)	(5,963)	(2,358)
- Fringe Benefit Tax		-	2,235
PROFIT AFTER TAX		748,111	730,942
Profit brought forward from the previous year		1,033,047	571,012
PROFIT AVAILABLE FOR APPROPRIATION		1,781,158	1,301,954
APPROPRIATIONS			
Proposed Dividend		161,466	161,466
Tax on Dividend (net of Rs. 623 of tax rate change for previous year)		26,194	27,441
General Reserve		80,000	80,000
Balance carried to Balance Sheet		1,513,498	1,033,047
		1,781,158	1,301,954

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2010

Schedule No. (Note reference)		For the year ended December 31, 2010 (Rs.'000)	For the year ended December 31, 2009 (Rs.'000)	
BASIC AND DILUTED EARNINGS PER SHARE (Rs.)		32.43	31.69	
Face Value of each equity share (Rs.)	15(r)	10	10	
Significant Accounting Policies and Notes to Accounts	15			
This is the Profit & Loss Account referred to in our report of even date.		The Schedules referred to above form an integral part of Profit & Loss Account.		
For Price Waterhouse Firm Registration Number : 301112E Chartered Accountants	Pierre E. Cohade Chairman	Rajeev Anand Vice Chairman & Managing Director	Yashwant Singh Yadav Director	R V Gupta Director
H.Singh Partner Membership No. F-86994	C Dasgupta Director	Rajiv Lochan Jain Director	Jean Philippe Lecerf Chief Financial Officer	Pankaj Gupta Company Secretary
Place: Aurangabad Date: February 21, 2011				

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010

	For the year ended December 31, 2010 (Rs.'000)	For the year ended December 31, 2009 (Rs.'000)
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	1,109,251	1,114,121
Adjustments for non cash / non operating items		
Depreciation	153,386	126,089
(Profit) / Loss on sale of fixed assets (net)	(214)	868
Interest expenses	35,569	34,034
Interest income	(54,331)	(17,801)
Liabilities / provisions no longer required written back	(75,707)	(7,054)
Provision for doubtful debts and advances	6,576	8,517
Provision for Gratuity	16,577	15,590
Provision for Leave Encashment	16,701	13,821
Unrealised foreign exchange loss	3,956	20,188
Operating profit before working capital changes	1,211,764	1,308,373
Adjustments for working capital :		
Decrease in Sundry debtors	10,023	30,361
(Increase) in Loans and advances	(20,529)	(54,123)
(Increase) / Decrease in Inventories	(96,359)	197,423
Increase in Sundry creditors and other payables	677,583	362,685
Cash generated from operations	1,782,482	1,844,719
Direct taxes paid	(316,640)	(374,041)
Tax Deducted at Source	(5,870)	(2,702)
Fringe Benefit Tax	-	(3,887)
Net cash flow from operating activities	1,459,972	1,464,089
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(705,516)	(237,173)
Interest received	50,548	15,665
Sale proceeds of fixed assets	5,481	947
Net Cash used in investing activities	(649,487)	(220,561)
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Interest paid	(29,664)	(32,541)
Dividends paid	(184,647)	(159,391)
Net Cash used in financing activities	(214,311)	(191,932)
Net Increase in cash and cash equivalents (A+B+C)	596,174	1,051,596
Cash and bank balance as at beginning of year	1,587,722	552,293
Unrealised foreign exchange (loss)	(4,495)	(16,167)
Cash and bank balance as at end of the year	2,179,401	1,587,722

Notes:

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3 on "Cash Flow Statement" notified by the Government of India under the Accounting Standard Rules, 2006.
- Cash and bank balance as at end of the year includes Rs. 125 (Previous year Rs.2,483) against bank guarantees and Rs. Nil (Previous year Rs. 26,159) deposits in favour of Hon'ble Court of Additional District Judge, New Delhi. Amount not available for use by the company Rs. 11,181 (previous year Rs. 7,545)
- Figures in brackets indicate cash outflow.
- Previous year figures have been regrouped and recast, wherever necessary, to conform to the current year's classification.
- The schedules referred to in the Balance Sheet and Profit & Loss Account form an integral part of the Cash Flow Statement.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse
Firm Registration Number : 301112E
Chartered Accountants

Pierre E. Cohade
Chairman

Rajeev Anand
Vice Chairman &
Managing Director

Yashwant Singh Yadav
Director

R V Gupta
Director

H.Singh
Partner
Membership No. F-86994

C Dasgupta
Director

Rajiv Lochan Jain
Director

Jean Philippe Lecerf
Chief Financial Officer

Pankaj Gupta
Company Secretary

Place: Aurangabad
Date: February 21, 2011

Schedules And Notes

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 1 CAPITAL

Authorised
30,000,000 (30,000,000) Equity Shares
of Rs.10 each

Issued, Subscribed and Fully Paid-up
23,066,507 (23,066,507) Equity Shares
of Rs.10 each

Notes:

- 17,069,215 (17,069,215) shares are held by The Goodyear Tire & Rubber Company, Akron, Ohio, USA (the Holding Company) of which 1,203,926 (1,203,926) shares are allotted as fully paid up pursuant to a contract without payment being received in cash.
- 12,159,379 (12,159,379) shares were allotted as fully paid up by way of bonus shares by capitalisation of General Reserve Rs. 114,188(Rs. 114,188) and Share Premium Account Rs. 7,406 (Rs. 7,406).

As at
December 31, 2010
(Rs.'000)

As at
December 31, 2009
(Rs.'000)

300,000

300,000

230,665

230,665

SCHEDULE 2 RESERVES AND SURPLUS

Share Premium
General Reserve
Revaluation Reserve
Profit & Loss Account

As at
January 01, 2010
(Rs.'000)

Additions
(Rs.'000)

Deductions
(Rs.'000)

As at
December 31, 2010
(Rs.'000)

631,378

-

-

631,378

220,000

80,000

-

300,000

33,247

-

1,239

32,008

1,033,047

480,451

-

1,513,498

1,917,672

560,451

1,239

2,476,884

SCHEDULE 3 FIXED ASSETS

(Rs.'000)

Gross Block

Depreciation

Net Block

	As at January 1, 2010	Additions during the year	Deductions/ adjustments during the year	As at December 31, 2010	As at January 1, 2010	Charged during the year*	Deductions/ adjustments during the year	As at December 31, 2010	As at December 31, 2010	As at December 31, 2009
Tangible										
Freehold Land	17,309	-	-	17,309	-	-	-	-	17,309	17,309
Buildings	317,918	3,583	43	321,458	123,159	9,850	43	132,966	188,492	194,759
Plant & Machinery	2,332,882	331,517	69,189	2,595,210	1,364,813	139,181	64,813	1,439,181	1,156,029	968,069
Furniture & Fittings	15,722	2,633	616	17,739	9,484	2,390	533	11,341	6,398	6,238
Vehicles	9,760	3,977	926	12,811	3,374	962	118	4,218	8,593	6,386
Intangible										
Software	78,057	-	-	78,057	67,577	2,242	-	69,819	8,238	10,480
TOTAL	2,771,648	341,710	70,774	3,042,584	1,568,407	154,625	65,507	1,657,525	1,385,059	1,203,241
Previous Year	2,641,423	179,956	49,731	2,771,648	1,488,966	127,357	47,916	1,568,407		

Capital Work in Progress
including capital advances of Rs. 32,246 (Rs. 62,421) and capital goods intransit of Rs. 10,377 (Rs. 160,777)

594,744 363,173

Notes

1. Gross Block includes Rs. 148,015 (Rs. 158,185) on account of revaluation of certain fixed assets in 1984.

Amount added to fixed assets on revaluation was credited to revaluation reserve.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 68,939 (Rs.141,073).

*3. Refer note 'n' & 'o' on Schedule 15

1,979,803 1,566,414

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 4 INVENTORIES

	As at December 31, 2010 (Rs.'000)	As at December 31, 2009 (Rs.'000)
Raw Materials*	238,183	207,015
Work in Process	32,928	30,370
Finished Goods **	233,631	179,203
Stores and spare parts ***	108,246	100,041
	612,988	516,629

* Including inventory intransit Rs.6,499 (Rs. 42,962)

** Including inventory intransit Rs.19,397(Rs.19,187)

*** Net of Obsolescence provision Rs.40 (Rs. 40) and including inventory intransit of Rs.3,751 (Rs. 889)

SCHEDULE 5 SUNDRY DEBTORS

	As at December 31, 2010 (Rs.'000)	As at December 31, 2009 (Rs.'000)
(Considered good, unless otherwise stated)		
Debts - Over six months		
Unsecured	-	-
[Considered Doubtful Rs. 25,316 (Rs. 28,350) and fully provided for]		
Other debts		
Secured	131,589	182,303
Unsecured	845,043	804,364
	976,632	986,667

SCHEDULE 6 CASH AND BANK BALANCES

	As at December 31, 2010 (Rs.'000)	As at December 31, 2009 (Rs.'000)
Cash in hand	200	175
Cheques in hand	40,755	20,309
Cash in Transit	2,452	219
With Scheduled Banks on		
Current Accounts	484,672	733,316
Deposit Accounts*	1,640,141	826,158
Dividend Accounts	11,181	7,545
	2,179,401	1,587,722

* Includes Rs. 125 (Rs.2,483) against bank guarantees and Rs.Nil (Rs. 26,159) deposits in favour of Hon'ble Court of Additional District Judge ,New Delhi.

SCHEDULE 7 LOANS AND ADVANCES

	As at December 31, 2010 (Rs.'000)	As at December 31, 2009 (Rs.'000)
Unsecured - Considered good		
Unless otherwise stated		
Advances recoverable in cash or in kind or for value to be received	166,312	148,117
[Considered Doubtful Rs.13,117 (Rs. 12,200) and fully provided for]		
Balance with Customs and Excise	15,714	15,714
	182,026	163,831

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 8 CURRENT LIABILITIES AND PROVISIONS

Current Liabilities

	As at December 31, 2010 (Rs.'000)	As at December 31, 2009 (Rs.'000)
Acceptances	549,911	210,536
Sundry creditors (Refer note 't' on schedule 15)	-	-
- Due to Micro Enterprises and Small Enterprises	1,803,249	1,569,690
- Due to other than Micro Enterprises and Small Enterprises	220,559	256,594
Security deposits		
Investor Education and Protection fund		
shall be credited by :		
- Unpaid dividend*	11,181	7,545
Other liabilities	103,792	77,113
	2,688,692	2,121,478

Provisions

Income Tax (Net of advance)	51,854	9,873
Gratuity	101,973	96,005
Leave Encashment	28,167	24,501
Interest on Provident Fund Contributions	4,833	3,731
Product Replacement Loss**	16,336	13,842
Proposed Dividend	161,466	161,466
Tax on proposed dividend	26,817	27,441
Others**	41,403	106,866
	432,849	443,725

* No amount is due as on December 31, 2010 for credit to Investors' Education and Protection Fund. Amount remaining due after adjustment of amounts to be claimed from the Company will be transferred on the respective due dates to the said Fund.

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

SCHEDULE 9 SALES (GROSS)

For the year ended
December 31, 2010

For the year ended
December 31, 2009

Class of goods sold	Unit	Quantity* (000)	Value (Rs.'000)	Quantity* (000)	Value (Rs.'000)
Automotive Tyres	(Nos.)	2,660	13,005,398	2,298	9,973,625
Flaps	(Nos.)	102	23,911	256	56,208
Automotive Tubes	(Nos.)	1,682	744,283	1,495	655,979
			13,773,592		10,685,812

*Unit sales include inventory adjustments and debits raised for Company's own use.

SCHEDULE 10 OTHER INCOME

For the year ended
December 31, 2010
(Rs.'000)

For the year ended
December 31, 2009
(Rs.'000)

Profit on sale of fixed assets (net)	214	-
Miscellaneous Income	33,486	19,660
Liabilities / Provision no longer required written back (also refer note 'p' on Schedule 15)	75,707	7,054
Interest on :		
- deposits (Gross of tax deducted at source Rs 5,184 (Rs 1,854))	54,101	17,476
- others	230	325
Mould usage charges	88	263
Commission received	7,221	3,926
	171,047	48,704

Notes:

1. Miscellaneous income includes scrap sale of Rs. 27,925 (Rs. 11,290)

SCHEDULE 11 RAW MATERIAL CONSUMED

For the year ended
December 31, 2010

For the year ended
December 31, 2009

	Quantity (000 Kgs.)	Value (Rs.'000)	Quantity (000 Kgs.)	Value (Rs.'000)
Rubber	27,800	4,266,659	24,893	2,470,380
Fabrics	2,945	717,673	2,897	611,883
Carbon black	14,365	776,361	13,064	588,400
Pigments and chemicals	7,347	625,098	6,818	495,759
Beadwire	1,611	93,247	1,463	83,754
Others {net of scrap sales of Rs 22,276 (Rs 18,952)}#		49,341		46,569
		6,528,379		4,296,745

It is not practicable to furnish quantitative information in respect of such items due to different size, unit of measurement, each being less than 10% of total value.

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

SCHEDULE 12 WORK IN PROCESS AND FINISHED GOODS

For the year ended
December 31, 2010
(Rs.'000)

For the year ended
December 31, 2009
(Rs.'000)

Opening stock				
-Work in Process	30,370		9,162	
-Finished Goods	179,203	209,573	399,992	409,154
Add:				
Purchases of Finished Goods		2,945,350		2,461,024
		3,154,923		2,870,178
Less:				
Closing Stock				
-Work in Process	32,928		30,370	
-Finished Goods	233,631	266,559	179,203	209,573
		2,888,364		2,660,605

VALUE AND QUANTITATIVE BREAK-UP OF FINISHED GOODS

		Opening stock		Purchases		Closing Stock	
		Quantity (000)	Value (Rs.'000)	Quantity (000)	Value (Rs.'000)	Quantity (000)	Value (Rs.'000)
Automotive Tyres	(Nos)	42	142,512	1387	2,936,065	48	188,940
		(109)	(344,587)	(1076)	(2,441,684)	(42)	(142,512)
Flaps	(Nos)	32	4,639	10	2,925	17	3,250
		(32)	(6,916)	(50)	(11,120)	(32)	(4,639)
Automotive Tubes	(Nos)	98	32,052	19	6,360	120	41,441
		(121)	(48,489)	(21)	(8,220)	(98)	(32,052)
			179,203		2,945,350		233,631
			(399,992)		(2,461,024)		(179,203)

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

SCHEDULE 13 MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES*

	For the year ended December 31, 2010 (Rs.'000)	For the year ended December 31, 2009 (Rs.'000)
Salaries, wages and bonus	471,272	406,927
Contribution to provident and other funds	32,580	34,709
Workmen and staff welfare expenses	45,253	37,031
Retirement gratuities	16,577	15,590
Leave encashment	16,701	13,821
Consumption of stores and supplies	15,974	15,966
Power and fuel	308,965	276,456
Travelling	68,859	60,256
Repairs and maintenance		
-Buildings**	2,106	4,317
-Machinery**	48,611	52,703
- Others	1,641	921
Stores and spares written off	1,740	6,994
Rent	53,131	32,830
Insurance	9,478	4,365
Provision for doubtful debts and advances	6,576	8,517
Telecommunication	15,312	14,767
Rates and taxes	31,776	35,324
Legal and professional	23,596	20,849
Carrying and forwarding agent expenses	26,817	24,637
Freight, transport and delivery	273,519	230,985
Provision for Replacement Loss	2,494	-
Advertising and sales promotion	99,126	115,406
Trademark fee	92,521	77,881
Regional Service Charges	262,882	-
Commission	1,586	5,813
Cash Discounts	249,823	230,388
Bank Charges	2,216	5,076
Conversion charges	97,770	106,392
Loss on sale / deletion of fixed assets (etc.)	-	868
Exchange loss	8,004	26,516
Bad debts written off	8,693	3,117
Less: Provision for doubtful debts	(8,693)	(3,117)
Miscellaneous	136,546	115,363
	2,423,452	1,981,668

*includes expenditure on research and development Rs 2,996 (Rs.1,866)

**includes consumption of spares Rs 30,284 (Rs 31,198)

SCHEDULE 14 INTEREST EXPENSES

	For the year ended December 31, 2010 (Rs.'000)	For the year ended December 31, 2009 (Rs.'000)
Others	35,569	34,034
	35,569	34,034

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE 15 NOTES TO ACCOUNTS

(a) SIGNIFICANT ACCOUNTING POLICIES

i) Accounting Convention

These financial statements have been prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and are based on the historical cost convention as modified to include the revaluation of certain fixed assets.

ii) Fixed Assets

Gross fixed assets are stated at cost of acquisition/construction and assets taken on finance lease on or after January 1, 2002 are stated at lower of the fair value/present value of the minimum lease payments at the inception of the lease. The figures of land, buildings and factory plant and machinery, which have been revalued during the year 1984, are on the basis of valuation report of an approved valuer.

iii) Depreciation/ Amortisation

- The Company follows straight line method of depreciation in respect of all its fixed assets including assets taken on finance lease, as per Schedule XIV to the Companies Act, 1956, except (c) & (d).
- As per technical evaluation, Plant and Machinery is treated as Continuous Process Plant as defined in Schedule XIV to the Companies Act, 1956 and the depreciation has been provided accordingly.
- Depreciation has been provided in respect of certain category of Plant and Machinery (including machinery spares of irregular nature) as per technical assessment by the management based on straight line method over the useful life of 5-10 Years.
- The depreciation on assets revalued as at December 31, 1984, is provided on the basis of the residual life as per the technical estimation

by the valuer.

- Intangible Assets: Softwares are amortised over a period of 6 years based on the estimated economic useful life of the asset.

- The depreciation on the assets capitalised during the year is charged from beginning of the month following the date of capitalisation.

iv) Inventories

Inventories are valued at lower of cost and net realisable value. Cost includes cost of purchase, conversion costs and appropriate production overheads incurred in bringing the inventories to their present location and condition and is net of Cenvat. Finished goods are inclusive of Excise duty.

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 Progress and } Finished Goods	Materials and appropriate share of labour and overheads

Inventories have been disclosed net of provision for obsolescence, if any. Provision for inventory obsolescence is determined based on management's estimate.

v) Research and Development Expenditure

The revenue expenditure on research and development is expensed under the respective heads in the year in which it is incurred.

vi) Revenue Recognition

Sale of goods is recognised at the point of despatch of finished goods to customers. Sales exclude sales tax and is net of rebates & trade discounts and sales returns.

vii) Employee Benefits

The Company has Defined Contribution plans for post employment benefits' namely Provident Fund, Employee State Insurance Scheme, Employee Pension Scheme and Superannuation Fund. The

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

contributions to Superannuation and Provident Funds are administered by trusts, which are recognised by the Income Tax authorities. The Company's contributions in all the above plans are charged to revenue every year.

The Company has Defined Benefit plans namely leave encashment/compensated absence, Gratuity for employees and shortfall in interest on Provident fund balance, the liability for which is determined on the basis of an actuarial valuation at the end of the year. Gains and losses arising out of actuarial valuations are recognised immediately in the Profit and Loss Account as income or expense.

viii) Taxation

Provision for income tax is computed in accordance with the provisions of Income-tax Act, 1961. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are carried forward to the extent it is reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax is recognised at the rate substantially enacted at the balance sheet date.

ix) Foreign Currency Translations

Transactions in foreign currency are recorded at the exchange rates prevailing at the time of the transactions. Exchange gain / loss on translation of monetary assets and liabilities are recognised in the Profit and Loss Account.

x) Lease rental

Lease rentals in respect of operating lease entered on and after January 1, 2002 are charged to the

Profit and Loss Account on a straight-line basis over the lease term.

xi) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xii) Impairment of Assets

At each Balance Sheet date, the Company assesses whether there is any indication that assets may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognised in the accounts to the extent the carrying amount exceeds the recoverable amount.

xiii) Provisions and Contingencies

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation.

Product replacement loss is determined on the basis of past experience and best estimates of management.

Contingencies are disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

(b) CONTINGENT LIABILITIES*

- (i) Bills discounted
- (ii) Guarantee to Gurgaon Gramin Bank
- (iii) Claims against the Company not acknowledged as debts

Rent cases
Sales Tax
Excise & Service Tax Matters
Income Tax Matters
Price Differential pending settlement
Others

*(excluding interest and penalty, if any)

	As at December 31, 2010 (Rs.'000)	As at December 31, 2009 (Rs.'000)
	14,957	-
	11,765	11,833
	43,875	43,875
	30,176	19,733
	82,714	50,552
	48,447	15,281
	47,392	-
	28,146	31,856

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(iv) During the year 2003, a demand of Rs. 66,222 thousand besides interest, was raised by the Haryana Urban Development Authority (HUDA) towards external development charges (EDC) which was challenged by the Company. During June 2009, the court of Hon'ble Additional Civil Judge (Senior Division) (First Court) passed an interim order whereby the Company was directed to pay interest @ 10% for delayed payment amounting to Rs. 476 thousand which was duly paid. During the year the entire demand has been set aside by the First Court. However, HUDA challenged the same before the Court of Hon'ble District & Session Judge, Faridabad. As the Company had, in earlier years, already paid EDC, based on legal opinion and management assessment the Company is of the view that no additional demand is legally tenable.

(v) In the year 2007, Hon'ble Punjab & Haryana High Court at Chandigarh, on a reference from the Hon'ble Supreme Court of India, had held the Haryana Local Area Development Tax (HLADT) as unconstitutional. Subsequently in the year 2008 the state of Haryana introduced "Haryana Tax on Entry of Goods Into Local Area Act, 2008" (Entry Tax) by repealing the Haryana Local Area Development Tax Act, 2000 and the same was also held unconstitutional by the Hon'ble Punjab & Haryana High Court.

Earlier based on the legal opinion obtained by the

Company and management's assessment, provision towards liability for Haryana Local Area Development Tax (HLADT) for the periods prior to March 2008 aggregating to Rs. 540 lacs was written back during the year 2008. The amount already paid for HLADT till December 2006 and expensed in earlier years is Rs. 1,938 lacs.

Pursuant to an interim order of Hon'ble Supreme Court in October 2009, there is a stay on recovery of tax with a direction to assessee for filing their returns of tax and giving undertaking that in the event of their losing the matter, they will deposit the tax along with the interest at a rate which will be determined by the court. During the year 2010 on the matter being heard by a bench of five Hon'ble judges of the Hon'ble Supreme Court, it was requested to Hon'ble Chief Justice of India to refer the matter to a suitable larger bench for deciding the constitutional validity of the levy. The larger bench of Hon'ble Supreme Court is yet to be constituted. However, based on legal opinion obtained by the Company and management assessment, no provision for HLADT and Entry tax has been considered necessary.

(vi) In respect of certain assessment years under Income Tax laws there are appeals / objections pending before the Hon'ble Supreme Court / Hon'ble High Court / Income tax Appellate Tribunal / Dispute Resolution Panel etc., against which based on the expert opinion the management does not consider any cash outflow at this stage.

(c) Major components of Deferred Tax arising on account of temporary timing differences are:

	As at January 1, 2010 (Rs.'000)	For the Year (Rs.'000)	As at December 31, 2010 (Rs.'000)
Deferred tax liability			
Depreciation	173,774	(5,644)	168,130
Deferred tax assets			
a) Contingent Provisions	13,688	(4,919)	8,769
b) Provision for Employee Benefits	40,960	3,875	44,835
c) Provision for doubtful debts / advances	11,403	1,363	12,766
Total Assets	66,051	319	66,370
Deferred Tax Liability (Net)	107,723	(5,963)	101,760
Previous Year	110,081	(2,358)	107,723

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	For the year ended December 31, 2010 (Rs.'000)	For the year ended December 31, 2009 (Rs.'000)
(d) CIF value of imports		
Raw Materials	889,178	511,987
Components and Spare parts	5,122	16,605
Capital Goods	100,577	182,652
(e) Expenditure in foreign currency		
Import of finished goods	384,613	101,096
Commission on exports	1,586	3,880
Travel	2,211	2,418
Trademark usage charges	92,521	77,881
Regional Service Charges	262,882	-
Others	22,296	7,745
(f) Amount remitted during the year in foreign currency on account of dividend:		
(i) Number of non-resident shareholders	1	1
(ii) Number of shares held by non-resident shareholder on which dividend was due	17,069,215	17,069,215
(iii) Amount remitted	119,485	102,415
(iv) Year to which dividend related	2009	2008
(g) Earnings in foreign exchange		
FOB value of goods exported	594,019	572,050
Commission received	7,221	3,926
Recovery for deputation of employees	13,821	3,242
Sale of Capital Items	3,830	-
Sale of Raw Materials & others	140	542
(h) Managerial Remuneration		
Managerial remuneration*		
- Remuneration to whole-time directors [Including perquisites Rs. 4,169 (Rs. 4,338)]	15,861	14,425
- Commission/ Bonus	5,407	2,546
- Contribution to Funds	1,467	3,305
- Gratuity and Leave Encashment	2,311	388
- Directors' fees	780	760
	25,826	21,424
*Net of settlement of Mr.Prabhakar Jain- Rs. Nil (Rs.2,816)		
Computation of net profit in accordance with Section 198 read with Section 349 of the Companies Act, 1956:		
Profit before taxation	1,109,251	1,114,121
Add:		
Managerial remuneration	25,826	21,424
Depreciation	153,386	126,089
(Profit) / Loss on account of sale of assets (net)	(214)	868
Provision for doubtful debts & advances	6,576	8,517
Deduct:		
Depreciation computed u/s 350 of the Companies Act, 1956	153,386	126,089
(Profit) / Loss on account of sale of assets (net)	(214)	868
Bad debts written off	8,693	3,117
Net profit for the year u/s 349 of the Companies Act, 1956	1,132,960	1,140,945
Managerial remuneration including Commission 10% Restricted to	113,296	114,095
	25,826	21,424

* Includes remuneration of Rs.7,191 subject to approval of the shareholders in the ensuing AGM and Rs.3,268 subject to approval of the Central Government.

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

For the year ended
December 31, 2010
(Rs.'000)

For the year ended
December 31, 2009
(Rs.'000)

(i) Auditors' remuneration

Statutory auditors

As auditors	3,200	3,050
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In other capacity

Tax accounts	700	700
Various certificates/reports	2,800	2,655
Out of pocket expenses	403	317

Cost auditors

As Cost auditors	120	120
Out of pocket expenses	25	25

(j) Quantitative information in respect of each class of goods manufactured during the year

		Quantity	
		Installed Capacity*	Actual Production
Automotive tyres	(Nos.)	1422 (1,258)	1279 (1,155)

Note:

1. The installed capacity is as certified by the Management and relied upon by the auditors' being a technical matter.
2. Production does not include conversion by outside sources:

Tubes (Nos.)	1,685	(1,451)
Flaps (Nos.)	77	(206)

*Delicensed.

(k) Consumption of raw materials, stores, spare parts and components:

	For the year ended December 31, 2010				For the year ended December 31, 2009			
	Raw Materials (Rs.'000)	% Stores, Spare Parts and Components (Rs.'000)	%		Raw Materials (Rs.'000)	% Stores, Spare Parts and Components (Rs.'000)	%	
Imported	1,008,163	15.4	450	1.0	632,393	14.7	1,087	2.3
Indigenous	5,520,216	84.6	45,808	99.0	3,664,352	85.3	46,077	97.7
	6,528,379		46,258		4,296,745		47,164	

(l) As the Company's business activity falls within a single primary business segment viz. 'Automotive tyres, tubes, flaps and related rubber products', the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" are not applicable.

(m) Disclosures under Accounting Standard 18:

l) List of related parties with whom the Company had transactions during the year.

Holding company:

The Goodyear Tire & Rubber Co., Akron, Ohio, USA.

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Fellow subsidiaries:

i)	Goodyear International Corporation	xiv)	Goodyear SA (Luxembourg)
ii)	Goodyear Dunlop Tires Operations SA	xv)	Compania Goodyear Del Peru SA
iii)	Goodyear Middle East, FZE	xvi)	Goodyear South Africa (Pty) Limited
iv)	Goodyear Earthmovers Pty Ltd.	xvii)	Goodyear Wingfoot KK
v)	Goodyear Dalian Tire Company Limited	xviii)	Goodyear Philippines Inc.
vi)	Goodyear & Dunlop Tyres (NZ) Ltd.	xix)	Goodyear Lastikleri T.A.S.
vii)	Goodyear Dunlop Italia	xx)	Goodyear Dunlop Tires, France
viii)	Goodyear (Thailand) Public Company Limited	xxi)	Goodyear Singapore Tyres
ix)	Goodyear Taiwan Limited	xxii)	Goodyear Marketing & Sales SDN Bhd.
x)	Goodyear Do Brasil Produtos De Borracha Ltd.	xxiii)	TC Debica SA.
xi)	Goodyear De Colombia S.A.	xxiv)	Goodyear & Dunlop Tyres (Australia) Pty Ltd.
xii)	Goodyear Great Britain Ltd.	xxv)	Goodyear South Asia Tyres Private Limited
xiii)	P T Goodyear Indonesia TBK		

Key management personnel:

- i) Mr. Rajeev Anand
- ii) Mr. Hugo O Dedekind (upto March 31, 2010)
- iii) Mr. Yashwant Singh Yadav (effective November 01, 2010)
- iv) Mr. Jean Philippe Lecerf (effective July 01, 2010)

II) Transactions with related parties on an arms' length basis

	For the year ended December 31, 2010 (Rs.'000)	For the year ended December 31, 2009 (Rs.'000)
Holding company:		
Dividend paid	119,485	102,415
Purchase of raw materials, finished goods & spare parts	148,746	107,405
Sale of finished goods	1,377	-
Expenditure for Trademark fee	92,521	77,881
Expense reimbursed to holding company	4,393	598
Reimbursement of Expense by Holding Company	307	-
Recovery for Deputation of Employees	661	-
Expenditure for Regional Service Charges	262,882	-
Fellow subsidiaries:		
Purchase of raw material, finished goods & spare parts etc.		
Goodyear South Asia Tyres Private Limited	2,484,849	2,317,756
Goodyear Dalian Tire Company Limited	27,325	2,500
Goodyear (Thailand) Public Company Limited	16,945	3,198
PT Goodyear Indonesia TBK	52,777	2,306
Goodyear Dunlop Tires Operations SA	4,294	-
Goodyear Marketing & Sales SDN Bhd	21,779	2,128
Goodyear Earthmovers Pty Ltd, Australia	169,232	87,770
Others	2,237	3,556

-Net of Recovery for Replacement Loss Rs.39,665 (Rs. 31,316)

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	For the year ended December 31, 2010 (Rs.'000)	For the year ended December 31, 2009 (Rs.'000)
Sale of finished goods		
Goodyear & Dunlop Tyres (Australia) Pty. Ltd.	186,309	83,703
Goodyear Dunlop Tires Germany GmbH	-	16,554
Goodyear Great Britain Ltd.	2,284	1,079
Goodyear Middle East FZE	58,212	79,632
Goodyear South Africa (Pty) Ltd.	14,618	29,469
Goodyear Singapore Tyres	5,982	22,517
Goodyear International Corporation	21,366	7,137
Others	17,226	19,282
Purchase of Capital Items		
Goodyear Dunlop Tires Operations SA	-	40,678
Goodyear Philippines Inc.	37,867	116,969
Goodyear International Corporation	24,359	17,043
Goodyear South Asia Tyres Private Limited	59,178	8,649
Others	1,848	153
Recovery for deputation of employees		
Goodyear Singapore Pvt. Ltd.	9,918	377
Goodyear Marketing & Sales SDN Bhd	1,569	1,569
P T Goodyear Indonesia TBK	1,114	1,296
Goodyear Dalian Tire Co. Limited	559	-
Commission paid		
Goodyear Middle East, FZE	-	2,725
Commission received on supplies		
Goodyear Earthmovers Pty Ltd.	7,221	3,926
Mould usage charges received		
Goodyear South Asia Tyres Private Limited	88	265
Sale of Raw Material, spare parts etc. and other charges		
Goodyear South Asia Tyres Private Limited	42,583	19,316
Others	140	542
Expenses recovered from related parties		
Goodyear Dalian Tire Company Limited	646	62
Goodyear Marketing & Sales SDN Bhd	52	57
Goodyear Philippines Inc.	51	90
Goodyear Singapore Tyres	709	-
Goodyear South Asia Tyres Private Limited **	14,349*	4,993
Others	892	-
* Net of reimbursement		
Reimbursement of expenses to related parties		
Goodyear (Thailand) Public Co. Limited	1,495	809
Goodyear Singapore Tyres	558	-
Others	1,119	106

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As at December 31, 2010 (Rs.'000)	As at December 31, 2009 (Rs.'000)
Reimbursement of Product Warranty Claim		
Goodyear Dunlop Tires Operations SA	9,708	-
Sale of Capital Items		
Goodyear Lastikleri T.A.S	3,231	-
PT Goodyear Indonesia TBK	599	-
Interest Paid		
Goodyear South Asia Tyres Private Limited **	4,803	-
Key management personnel:		
Remuneration paid to key management personnel	27,490	21,424

** Transactions to the extent determinable pursuant to an offtake agreement.

III) Balances outstanding at the year end

	As at December 31, 2010 (Rs.'000)	As at December 31, 2009 (Rs.'000)
Holding company:		
Trade Payables	69,816	29,916
Other Receivable	640	-
Fellow subsidiaries:		
Trade Payable		
Goodyear South Asia Tyres Private Limited	349,080	345,258
Goodyear Dunlop Tires Operations SA	9,447	39,790
Goodyear Philippines Inc.	-	113,474
Goodyear Earthmover Pty Limited, Australia	74,455	21,297
P.T. Goodyear, Indonesia TBK	16,327	1,829
Others	27,154	14,126
Trade Receivable		
Goodyear International Corporation	4,088	5,381
Goodyear Middle East, FZE	7,088	22,655
Goodyear & Dunlop Tyres (Australia) Pty. Ltd.	41,036	16,715
Goodyear South Africa (Pty) Limited	3,154	7,967
Goodyear Singapore Tyres	-	4,721
C.A. Goodyear De Venezuela	-	5,145
Goodyear South Asia Tyres Private Limited	23,107	833
Goodyear Lastikleri TAS,	3,081	-
Goodyear Earthmover Pty Limited, Australia	2,161	-
Others	3,037	3,265
Other Receivable		
Goodyear Marketing & Sales, BHD, Malaysia	127	567
Goodyear South Asia Tyres Private Limited	10,650	2,469
P.T. Goodyear Indonesia	-	899
Goodyear Singapore Private Limited	3,695	-
Others	478	89

(n) The depreciation charge for the current year represents gross Rs 154,625 (Rs. 127,357) less transfer from revaluation reserve Rs 1,239 (Rs 1,268). Such transfer represents the amount equivalent to the additional charge necessitated on account of revaluation of certain fixed assets referred to in (a) (ii) above, being the difference between the depreciation charged and the depreciation calculated in accordance with the rates followed by the Company on such items not revalued.

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(o) Depreciation charge for the year includes an amount of Rs. 5,323 (Rs. 5,943) provided for on an accelerated basis in respect of a category of equipment due for replacement as per technical assessment by the management.

(p) In accordance with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets", the movement of provisions is detailed below:

(Rs '000)

Description	Balance as on January 1, 2010	Additions during the year	Utilized/Reversed during the year	Balance as on December 31, 2010
(i) Product Replacement Loss (a)	13,842	2,494*	-	16,336
Others (b)				
(i) Price differential pending settlement**	47,392	-	47,392	-
(ii) Custom/Excise/ Additional Excise Duty	39,029	-	964	38,065
(iii) Sales tax/ Entry tax	20,445	1,000	18,107	3,338
Total (b)	106,866	1,000	66,463	41,403
Total (a)+(b)	120,708	3,494	66,463	57,739
Previous Year	(146,973)	(4,002)	(30,267)	(120,708)

* Net of utilisation / reversals during the year.

** Based on legal opinion, the Company has reversed the provision and considered the same as contingent liability.

The above provision represents the estimated outflow in respect of the above items. However, considering the nature of items, the uncertainty and timing relating to these outflows cannot be estimated.

(q) Leases:

Cancellable : The Company's cancellable operating lease arrangement mainly consists of residential premises, warehouses and offices taken on lease for periods between 1-10 years. Terms of lease include terms for renewal, increase in rents in future periods and terms of cancellation.

Non Cancellable : The company has entered into a non cancellable Operating lease for office premises, the schedule of future minimum lease payment which is set out below:

Particulars	December 31, 2010 (Rs.'000)	December 31,2009 (Rs.'000)
Not later than one year	21,988	21,988
Later than one year but not later than five years	97,710	94,229
Later than 5 years	79,371	104,840

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(r) Earnings per Share calculations:

	For the year ended December 31, 2010 (Rs.'000)	For the year ended December 31, 2009 (Rs.'000)
Profit for the year (Rs.'000)	748,111	730,942
No. of equity shares of Rs. 10/- each	23,066,507	23,066,507
Basic and diluted earnings per share (Rs.)	32.43	31.69

(s) The management is of the opinion that its international transactions with associated enterprises have been undertaken at arms' length basis at duly negotiated prices on usual commercial terms. The Company has submitted the Accountant's Report in form 3CEB upto the financial year ended on March 31, 2010 as required under section 92E of the Income Tax Act, 1961. In respect of the proposed transfer pricing adjustments suggested by the Assessing Officers in the Assessments already completed, the matters are pending before the Appellate Authorities / Dispute Resolution Panel. Based on expert opinion the management is of the view that in all likelihood there will be no material liability.

(t) Disclosures under the Micro, Small & Medium Enterprise Development Act, 2006 (as amended in Schedule VI to the Companies Act, 1956 vide notification dated November 16, 2007) based on the information available with the company:

- Delayed payments due as at the end of accounting year on account of Principal - Rs. Nil (Nil) and Interest due thereon - Rs. Nil (Nil)
- Total interest paid on all delayed payments during the year under the provisions of the Act - Rs. Nil (Nil)
- Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act - Rs. Nil (Nil)
- Interest accrued but not due - Rs. Nil (Nil)
- Total Interest Due but not paid - Rs. Nil (Nil)

(u) During the year Goodyear Orient Company Private Limited, a wholly owned subsidiary of the promoter, The Goodyear Tire & Rubber Company, invited bids by way of public announcement dated May 13, 2010, to acquire, in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations") and terms and conditions set out in the Public Announcement, up to 5,997,292 equity shares of the company, representing 26% of the equity capital (the "Offer Shares") for which the approval was obtained from shareholders by way of postal ballot.

The number of Offer Shares tendered by the public shareholders at or below the discovered price was less than the minimum number of Offer Shares required to be accepted for the delisting offer to be successful in terms of Delisting Regulations. Accordingly, the delisting offer is deemed to have failed in terms of the Delisting Regulations.

(v) In accordance with AS-15 (revised) "Employee Benefits", the Company has calculated the various benefits provided to employees as under:

A. Defined Contribution Plans

- Superannuation Fund
- Provident Fund

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

During the year the Company has recognised the following amounts in the Profit and Loss account: -

	For the year ended December 31, 2010 (Rs.'000)	For the year ended December 31, 2009 (Rs.'000)
Employer's Contribution to Superannuation Fund*	7,050	11,216
Employer's Contribution to Provident Fund*	19,070	17,293

B. State Plans

- Employer's contribution to Employee State Insurance.
- Employer's contribution to Employee's Pension Scheme 1995.*

During the year, the company has recognised the following amounts in the Profit and Loss account: -

	For the year ended December 31, 2010 (Rs.'000)	For the year ended December 31, 2009 (Rs.'000)
Employer's contribution to Employees State Insurance	1,190	837
Employer's contribution to Employees Pension Scheme*	6,460	6,200

* Included in 'contribution to provident and other funds' under manufacturing, selling and administrative expenses (Refer schedule 13)

C. Defined Benefit Plans

- Gratuity
- Leave Encashment / Compensated Absence
- Employers Contribution to Provident Fund (shortfall in interest on Provident Fund balance).

In accordance with Accounting Standard 15, an actuarial valuation was carried out in respect of the aforesaid defined benefit plans based on the following assumptions.

	Leave Encashment/ Compensated Absence		Gratuity		Interest on Provident Fund Balance	
	For the year ended		For the year ended		For the year ended	
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Discount Rate (per annum)	7.75%	7.50%	7.75%	7.50%	7.25%	7.50%
Rate of increase in compensation level	5.00%	5.00%	5.00%	5.00%	N.A.	N.A.
Expected rate of return on planned assets	N.A.	N.A.	N.A.	N.A.	7.25%	7.50%

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Amount of obligation as at the year end is determined as under :

	Leave Encashment/ Compensated Absence		Gratuity		(Rs '000) Interest on Provident Fund Balance	
	For the year ended		For the year ended		For the year ended	
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Present value obligation as at the beginning of year	24,501	23,995	96,005	94,471	3,731	3,432
Interest cost	1,573	1,493	7,372	7,048	-	-
Current service cost	8,730	9,438	5,429	6,224	1,102	299
Benefits Paid	(13,035)	(13,315)	(10,609)	(14,056)	-	-
Actuarial (gain) / loss on Obligations	6,398	2,890	3,776	2,318	-	-
Present value obligation as at the end of year	28,167	24,501	101,973	96,005	4,833	3,731

Amount of the obligation recognised in the Balance Sheet

	Leave Encashment/ Compensated Absence		Gratuity		(Rs '000) Interest on Provident Fund Balance	
	As at		As at		As at	
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Present value obligation at the end of the Period	28,167	24,501	101,973	96,005	4,833	3,731
Fair Value of Plan Assets at end of period	-	-	-	-	-	-
Liability recognised in the Balance Sheet	28,167	24,501	101,973	96,005	4,833	3,731

Amounts pertaining to defined benefit plan are as under :

	As at Dec. 31, 2010	As at Dec. 31, 2009	As at Dec. 31, 2008	As at Dec. 31, 2007
Gratuity				
Present value obligation as at the year end	101,973	96,005	94,471	85,962
Fair Value of Plan Assets at the year end	-	-	-	-
Surplus / (Deficit)	(101,973)	(96,005)	(94,471)	(85,962)
Experience Adjustment on plan liabilities (loss) / gain	(3,022)	(2,318)	(2,675)	399
Adjustment due to change in assumption on plan liabilities (loss) / Gain	(754)	-	-	-

	As at Dec. 31, 2010	As at Dec. 31, 2009	As at Dec. 31, 2008	As at Dec. 31, 2007
Leave Encashment				
Present value obligation as at the year end	28,167	24,501	23,995	23,601
Fair Value of Plan Assets at the year end	-	-	-	-
Surplus / (Deficit)	(28,167)	(24,501)	(23,995)	(23,601)
Experience Adjustment on plan liabilities (loss) / gain	(5,163)	(2,890)	(4,506)	(3,027)
Adjustment due to change in assumption on plan liabilities (loss) / Gain	(1,235)	-	-	-

Expenses Recognised in Profit and Loss Account

	Leave Encashment/ Compensated Absence**		Gratuity**		(Rs '000) Interest on Provident Fund Balance***	
	For the year ended		For the year ended		For the year ended	
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Current service cost	8,730	9,438	5,429	6,224	1,102	299
Interest cost	1,573	1,493	7,372	7,048	-	-
Net Actuarial (gain) / loss recognised during the year	6,398	2,890	3,776	2,318	-	-
Total expense recognised in Profit and Loss Account	16,701	13,821	16,577	15,590	1,102	299

** Refer 'Leave Encashment' and 'Gratuity' under manufacturing, selling and administrative expenses (Refer schedule 13)

*** Included in 'Miscellaneous' under manufacturing, selling and administrative expenses (Refer schedule 13)

Best estimate of contribution during next year for Gratuity is Rs.12,497 (Rs.21,926), and for leave encashment is Rs. 4,008 (Rs.3,227)

(w) Stock and book debts are subject to a maximum charge of Rs. 350,000 (Rs. 350,000) for all credit facilities / guarantees sanctioned by BNP Paribas Bank.

(x) Previous year figures have been regrouped and recast, wherever necessary, to make them comparable to those of the current year. Figures in brackets, wherever given are in respect of previous year unless stated otherwise.

(y) All the figures are in rupee thousand unless stated otherwise.

For Price Waterhouse Firm Registration Number :301112E Chartered Accountants	Pierre E. Cohade Chairman	Rajeev Anand Vice Chairman & Managing Director	Yashwant Singh Yadav Director	R V Gupta Director
H.Singh Partner Membership No. F-86994	C Dasgupta Director	Rajiv Lochan Jain Director	Jean Philippe Lecerf Chief Financial officer	Pankaj Gupta Company Secretary

Place: Aurangabad
Date: February 21, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956)

i) REGISTRATION DETAILS

Registration No.	8,578
State Code	05
Balance Sheet Date	31st December, 2010

ii) CAPITAL RAISED DURING THE YEAR (Amount in Rs. thousands)

Public Issue	NIL
Rights Issue	NIL
Private Placement	NIL
Bonus Issue	NIL

iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. thousands)

Total Liabilities	2,809,309
Total Assets	2,809,309

SOURCES OF FUNDS

Paid-up capital	230,665
Reserves and surplus	2,476,884
Unsecured loans	-

APPLICATION OF FUNDS

Net fixed assets	1,979,803
Investments	-
Net current assets	829,506
Misc. expenditure	-
Accumulated losses	-

iv) PERFORMANCE OF THE COMPANY (Amount in Rs. thousands)

Turnover including other incomes	13,143,325
Total expenditure	12,034,074
Profit before tax	1,109,251
Profit after tax	748,111
Earning Per Share (Rs.)	32.43
Dividend rate (%)	70%

v) GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

PRODUCT DESCRIPTION	ITEM CODE NO.
Automotive Tyres	4011
Flaps	4012
Tubes	4013

Pierre E. Cohade
Chairman

Rajeev Anand
Vice Chairman &
Managing Director

Yashwant Singh Yadav
Director

R V Gupta
Director

Place: Aurangabad
Date: February 21, 2011

C Dasgupta
Director

Rajiv Lochan Jain
Director

Jean Philippe Lecerf
Chief Financial Officer

Pankaj Gupta
Company Secretary



ON THE HUNT FOR DINOSAURS

In 2010, Earth Trek ventured through the Queensland arid outback to document the Australian Age of Dinosaurs. The Toyota Hilux expedition vehicle covered over 10,000 kilometres on bitumen, shale, gravel, sand and gibbers on **Goodyear Wrangler DuraTrac** tyres.



REGISTERED OFFICE

Mathura Road,
Ballabgarh (Dist. Faridabad)
Haryana - 121004
Tel No. 0129-6611000

CORPORATE OFFICE

1st Floor, ABW Elegance Tower,
Plot No. 8, Commercial Centre, Jasola,
New Delhi - 110025
Tel No. 011 - 47472727

GOODYEAR
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